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Name: Arbor Point at Woodland Station

MassHousing No.: 05-001-N

FHA No.: 023-98122



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## RESIDENTIAL COMPLIANCE AGREEMENT

THIS RESIDENTIAL COMPLIANCE AGREEMENT is made and entered into as of the 21<sup>st</sup> day of December, 2007, by and between the Massachusetts Housing Finance Agency (the "Agency"), a body politic and corporate organized pursuant to Massachusetts General Laws, Chapter 708 of the Laws of 1966, as amended (the "Act") and Woodland Station LLC, a Massachusetts limited liability company (the "Owner").

### RECITALS

A. The Owner holds a leasehold estate in certain land and proposes to construct improvements thereon, comprising a 180 unit residential development (the "Project"), located in Newton, Massachusetts, which land is as described in Exhibit A hereof (the "Project Site"). The Project will be occupied partially (at least 20%) by individuals of low and moderate income pursuant to the requirements of Section 142(d)(1)(A) of the Code (as hereinafter defined) and the Act; and

B. Pursuant to the Act and the Resolution (as hereinafter defined), the Agency proposes to assist the Owner through the application of the proceeds of \$40,861,500 in aggregate principal amount of its Housing Bonds, 2005 Series F which bonds are exempt from tax under Section 142 of the Code and subject to volume capacity allocation under Section 146 of the Code (the "Bonds"), which will be used to provide a portion of the monies required to permanently finance the construction of the improvements on the Project Site;

C. Pursuant to the Act, the Agency proposes to provide further assistance to the Owner through the provision of a Second Mortgage Loan (the "PDF Loan") to made from the agency's priority development funds in the original principal amount of \$3,450,000, the proceeds of which loan will be used to provide a portion of the monies required to permanently finance the construction of the improvements on the Project Site; and

D. The Code and the Act prescribe that the financing as well as the use and operation of the Project be restricted in certain respects, and, in order to ensure that the Project will be financed, used and operated in accordance with the Code and the Act, the Agency and the Owner have determined to execute and deliver this Residential Compliance Agreement (the "Compliance Agreement" or "Agreement");

FIDELITY NATIONAL TITLE  
133 FEDERAL STREET  
BOSTON MA 02110

1940 WASHINGTON STREET, NEWTON

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Agency and the Owner agree as follows:

## **SECTION 1. DEFINITIONS AND INTERPRETATION**

(a) Capitalized terms used herein and in the attached Exhibits have the following meanings unless the context in which they are used clearly requires otherwise.

*"Adjusted Family Income"* means the anticipated annual income of a person (together with the anticipated annual income of all persons who intend to reside with such person in one residential unit), as calculated in a manner consistent with determinations of lower income families under Section 8 of the United States Housing Act of 1937 (or, if such program is terminated, with such program as is in effect immediately before such termination). Determinations of income shall include adjustments for family size, and Section 7872(g) of the Code shall not apply to such determinations.

*"Affordable Rents"* means, for any unit, a monthly rental for a unit of the given size (exclusive of amounts paid for services) which does not exceed 1/12 of 30% of the Adjusted Family Income permitted for Lower Income Tenants in such unit or such lesser amount as shall be determined by the Agency in accordance with Section 6 of the Act.

*"Agency"* means the Massachusetts Housing Finance Agency.

*"Agency Representative"* means any person (who may be an employee of the Agency) designated from time to time to act on behalf of the Agency.

*"Bond Counsel"* means any attorney at law or firm of attorneys selected by the Agency, of nationally recognized standing in matters pertaining to the federal tax status of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

*"Bondholder" or "holder" or "owner of the Bonds"* means the registered owner of any Bond as shown on the registration books maintained by the Trustee pursuant to the Resolution.

*"Bonds"* means the \$40,861,500 in aggregate principal amount of its Housing Bonds, 2005 Series F, which are to be applied to fund the Development Loan.

*"Certificate of Continuing Program Compliance"* means the certificate in the form attached hereto as Exhibit B certifying as to the compliance by the Project in the Development with the provisions of this Compliance Agreement.

*"Certification of Designation of Lower Income Units"* means the certificate in the form attached hereto as Exhibit C designating dwelling units in a Project for occupancy by Lower Income Tenants required to be delivered to the Agency by the Owner pursuant to Section 4.

*"Certification of Tenant Eligibility"* means the certificate in the form attached hereto as Exhibit D, with such changes thereto as may be approved by the Agency, to be used by the Owner to determine the qualification of applicants as Lower Income Tenants required to be delivered to the Agency by the Owner pursuant to Section 4.

*"Code"* means the Internal Revenue Code of 1986, as amended, or any successor statute thereto, as in effect on the date in question, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

*"Compliance Agreement"* means this Residential Compliance Agreement, dated as of the date hereof, between the Agency and the Owner.

*"Contract Documents"* means, collectively, the Mortgage (as defined below), the Mortgage Note (as defined below), this Compliance Agreement and all other Contract Documents (as defined in the Mortgage) executed and delivered by the Owner in connection with the Development Loan (as defined below).

*"Development Loan"* means the First Mortgage Loan made to the Owner by the Agency with respect to the Development, including the Project, funded by the Bonds and evidenced by the First Mortgage Note.

*"Event of Default"* means a default in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Compliance Agreement.

*"Lower Income Tenants"* means the occupant or occupants of a residential unit in a Project whose aggregate Adjusted Family Income does not exceed the lesser of: (i) fifty percent (50%) of the Median Gross Income for the Area; or (ii) the maximum amount which would make them eligible for units owned or leased by the housing authority in the city or town in which the Development is located. If all the occupants are students (as defined in Section 151 (c)(4) of the Code), no one of whom is entitled to file a joint federal income tax return under Section 6013 of the Code, such occupants shall not qualify as Lower Income Tenants. The determination of an occupant's status as a Lower Income Tenant shall be made at the commencement of such occupant's occupancy of a unit in a Project and annually thereafter pursuant to Section 4 hereof.

*"Lower Income Units"* means the dwelling units in a Project designated for occupancy by Lower Income Tenants.

*"Median Gross Income for the Area"* means the median income for any household of a given size, in the Primary Metropolitan Statistical Area which includes the location of the

Development, most recently determined by the Department of Housing and Urban Development ("HUD") under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under Section 8(1) are terminated, median income determined under the method used by HUD prior to the termination.

*"Mortgages"* means, collectively, (a) the First Leasehold Mortgage, Security Agreement, Financing Statement (Fixture Filing) and Assignment of Leases and Rents (the "First Mortgage") executed and delivered by the Owner to the Agency in connection with the financing of the Development and securing the First Mortgage Note and (b) the Second Leasehold Mortgage, Security Agreement, Financing Statement (Fixture Filing) and Assignment of Leases and Rents (the "PDF Mortgage") executed and delivered by the Owner to the Agency in connection with the financing of the Development and securing the PDF Mortgage Note.

*"First Mortgage Note"* means the First Mortgage Note, dated as of the date hereof, from the Owner to the Agency, in the original principal amount of \$40,861,500, and delivered in connection with the financing of the Project.

*"PDF Mortgage Note"* means the PDF Mortgage Note, dated as of the date hereof, from the Owner to the Agency, in the original principal amount of \$3,450,000, and delivered in connection with the financing of the Project.

*"Mortgage Notes"* means collectively the First Mortgage Note and the PDF Mortgage Note.

*"Owner"* means Woodland Station, LLC, a Massachusetts limited liability company and its successors and assigns, and any surviving, resulting or transferee entity.

*"Owner Representative"* means the person or persons (who may be employees of the Owner) designated from time to time to act hereunder on behalf of the Owner in a written certificate furnished to the Agency containing a specimen signature of such person or persons and signed on behalf of the Owner by a duly authorized representative of the Owner.

*"Project"* means the 180 unit residential development as subject to the Mortgages and the related Project Facilities.

*"Project Facilities"* means the buildings, structures and other improvements located or constructed on the leasehold estate in the Project Site, and all equipment, fixtures and other property owned or leased by the Owner and located on, or used in connection with, such buildings, structures and other improvements and all functionally related and subordinate facilities.

*"Project Site"* means a single parcel or contiguous parcels of real property each as described in Exhibit A hereto, and all rights and appurtenances thereunto appertaining in which the Owner has a leasehold estate.

*"Qualified Project Period"* means, with respect to the Project, the period beginning on the later of (i) the first day on which 10% of the dwelling units in such Project are first occupied, or (ii) the date of issuance of the Bonds, and ending on the latest of (i) the date which is fifteen (15) years after the date on which 50% of the dwelling units in such Project are occupied, or (ii) the first date on which no Bonds remain Outstanding under the Resolution (including as Outstanding for this purpose any Bond that is legally defeased but not yet redeemed) or (iii) the date upon which all Obligations under the Mortgages have been fully discharged or (iv) the date on which any assistance provided with respect to such Project under Section 8 of the United States Housing Act of 1937 terminates or (v) the date which is fifty (50) years after the date of issuance of the Bonds.

*"Resolution"* means the Housing Bond Resolution of the Agency, adopted as of December 10, 2002, as amended and supplemented, the 2005 Series F Housing Bond Series Resolution authorizing the 2005 Series F Bonds, adopted by the Agency as of February 11, 2005.

*"State"* means The Commonwealth of Massachusetts.

*"Trustee"* means the trustee serving as such under the Resolution.

(b) Capitalized terms as are not defined herein have the meanings ascribed to them in the Resolution.

(c) Unless the context clearly requires otherwise, words of the masculine, feminine or neuter gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number and vice versa, when appropriate. All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Compliance Agreement and to sustain the validity hereof.

(d) The titles and headings of the sections of this Compliance Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

## **SECTION 2. REPRESENTATIONS AND AGREEMENTS OF THE OWNER.**

The Owner hereby represents, warrants and covenants as follows:

A. The Owner is a limited liability company formed under the laws of the State and admitted to business under the laws of the State, is in good standing in the State, has the power and authority to own or lease the Project and its assets and to carry on its business as now conducted and as contemplated to be conducted and has the power to enter into and has duly authorized by proper action, the execution and delivery of this Agreement and all other

documents contemplated hereby to be executed by the Owner, including, without limitation, the Mortgage and the Mortgage Note.

B. None of the execution and delivery of this Agreement or any other document in connection with the financing of the Project, the consummation of the transactions contemplated hereby and thereby or the fulfillment of or compliance with the terms and conditions hereof and thereof conflicts with or results in a breach of any of the terms, conditions or provisions of the Owner's organizational documents or of any agreement or instrument to which the Owner is now a party or by which it is bound, or constitutes a default (with due notice or the passage of time or both) under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Owner under the terms of any instrument or agreement to which the Owner is now a party or by which it is bound.

C. As of the date of this Compliance Agreement, the Owner will have title to the Project sufficient to carry out the purposes of this Agreement, and such leasehold title shall be in and remain in the Owner except as permitted by this Compliance Agreement.

D. The Project consists and shall consist of the real property as described for in Exhibit A hereto, together with all improvements thereon and to be constructed thereon, and the Owner shall make no changes to a Project or to the operation thereof that will violate the provisions of this Compliance Agreement or impair the exclusion from gross income for federal income taxation of the interest on the Bonds. The Owner intends to use the multifamily rental-housing portion of the Project primarily as a multi-family residential rental housing project, constituting residential rental housing, during the term of the Qualified Project Period with respect thereto as required by the Code and the Act.

E. The Owner will not knowingly and voluntarily take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the requirements of this Compliance Agreement.

F. The Owner has filed or caused to be filed all federal, state and local tax returns which are required to be filed, if any, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

G. No officer or other official of the Agency has any ownership or financial interest whatsoever in any of the Project or the Owner or in the transactions contemplated by this Agreement.

H. The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Agency is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and that it has not relied

on the Agency for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Agency in any manner except to issue the Bonds in order to provide funds for the Development Loan.

I. The Owner has not taken any action, or failed to take any action, which action or failure to act adversely affects the exclusion from gross income of interest on the Bonds for federal income tax purposes.

J. The Owner is not in default under any document, instrument or commitment to which the Owner is a party or to which it or any of its property is subject which default affects the ability of the Owner to carry out its obligations under this Agreement.

K. The Owner: (i) intends to hold the Project for its own account; (ii) is not now in negotiation nor has entered into any contract to sell the Project; and (iii) has not entered into any agreement or otherwise binding commitment to sell the Project.

### **SECTION 3. RESIDENTIAL RENTAL PROPERTY.**

The Agency and the Owner hereby declare their understanding and intent that the Project is to be owned, managed and operated, for so long as any Bonds remain outstanding under the Resolution, but in any event at least for the Qualified Development Period, as "residential rental property" as such phrase is used in Section 142(d) of the Code and Section 1.103-8(b) of the Treasury Regulations and as multi-family housing eligible for financing under the Act. To that end, the Owner hereby represents, warrants and covenants as follows:

A. The Development will be operated for the purpose of providing multifamily rental housing and related uses and the Owner shall own, manage and operate (or cause the management and operation of) the Project as a development to provide residential rental housing comprised of one or more interrelated buildings and structures, each consisting of more than one dwelling unit and facilities functionally related and subordinate thereto and no other facilities located on the Project Site described in Exhibit A hereto except for parking spaces contained within the Project which shall be commercially leased. As used herein "facilities functionally related and subordinate to a Project" shall include facilities for use by the tenants, including, for example, swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required for such Project, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance personnel.

B. All of the dwelling units in a Project are of design and construction of similar quality, layout, and utility, and each dwelling unit in a Project contains facilities for living, sleeping, eating, cooking and sanitation for a single person or a family which are complete, separate and distinct from other dwelling units in the Project and will include a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

C. The Owner will not permit any of the dwelling units in a Project which are financed with tax-exempt bond financing to be used on a transient basis (within the meaning of Treasury Regulation Section 1.103-8(b)(4)) and will not rent any of the units for a period of less than six (6) months and none of the dwelling units in a Project will at any time be leased or rented for use as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park or place of business or leased to any party who will make such units available for occupancy on any such basis.

D. No part of the Project will at any time be owned or used by a cooperative housing corporation.

E. The Project Site consists of a parcel or parcels that are contiguous (parcels are contiguous if their boundaries meet at one or more points) except for the interposition of a road, street or stream, and all of the Project Facilities and the Project comprise a single geographically and functionally integrated development for residential rental housing, as evidenced by the common ownership, management, accounting and operation of the Development.

F. The Owner will not sell dwelling units within any Project.

G. The Owner will prepare and mail to the Agency, return receipt requested, a written certification identifying the respective dates upon which ten percent (10%) and fifty percent (50%) of the dwelling units in the Project are first occupied.

H. Once available for occupancy, each dwelling unit in the Project will be rented or available for rental to the general public on a continuous basis during the Qualified Project Period.

#### **SECTION 4. LOWER INCOME TENANTS.**

In order to satisfy the requirements of Section 142 (d) of the Code, Treasury Regulation Section 1.103-8(b) and the Act with respect to the Project, for the Qualified Project Period, the Owner hereby represents, warrants, covenants and agrees with respect to the Project as follows:

A. During the Qualified Project Period, at least 20% of the residential units in the Project will be leased or rented, or made available for lease or rental, to Lower Income Tenants at Affordable Rents on a continuous basis. The Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required hereunder to be leased or rented to Lower Income Tenants. For purposes of satisfying the requirement that not less than twenty percent (20%) of the residential units be occupied by Lower Income Tenants, no Lower Income Tenant shall be denied continued occupancy because, after admission, the Lower Income Tenant's Adjusted Family Income exceeds the applicable qualifying income level (provided, however, that no Lower Income Tenant shall continue to be counted as a Lower Income Tenant as of any date upon which such tenant's Adjusted Family Income exceeds one hundred forty percent (140%) of the level at which



a tenant may be qualified as a Lower Income Tenant) set forth in the definition of "Lower Income Tenant" herein; provided, however, that the Owner shall maintain the percentage requirements of this Compliance Agreement by providing the next available units of comparable or smaller size to Lower Income Tenants as needed to achieve compliance with the foregoing requirements. Other than as provided in the preceding sentence, any unit shall retain its character until it is reoccupied, at which time its character shall be redetermined under the rules set forth in this paragraph, except that no reoccupancy of a Lower Income Unit for a temporary period not to exceed thirty-one (31) days shall be taken into account for this purpose. For purposes of determining whether a tenant's Adjusted Family Income will qualify such tenant as a Lower Income Tenant at the time of such tenant's initial occupancy of a dwelling unit, the Median Gross Income for the Area in effect at the time of such initial occupancy shall be used. Further, for purposes of determining whether the Adjusted Family Income of a Lower Income Tenant exceeds 140% of the level at which such tenant may be qualified as described above, the Median Gross Income for the Area in effect at the time of such determination shall be used.

B. The units which are to be occupied by Lower Income Tenants will be intermingled with all other dwelling units in the Project and will be of a quality comparable to the other units in the Project. Lower Income Tenants will have access to all common facilities of the Project for use and enjoyment equal to that of other tenants. The Owner will designate the dwelling units in the Project reserved for occupancy by Lower Income Tenants, and will advise the Agency by delivery of a certificate in writing of such designation and, on a monthly basis, of any revisions thereof. Such certificate shall be in substantially the form of the "Designation of Lower Income Units" attached hereto as Exhibit C.

C. All of the dwelling units in the Project shall be leased or rented, or available for lease or rental to the general public.

D. The Owner will obtain, at the time of initial rental of a Lower Income Unit not occupied on the date hereof and on each anniversary of the rental of all Lower Income Units during the term of the rental, and maintain on file Certifications of Tenant Eligibility from each Lower Income Tenant substantially in the form attached hereto as Exhibit D. Such Certifications shall be filed annually with the Agency by attachment to the "Designation of Lower Income Units" required pursuant to Exhibit C. The Owner shall make a good faith effort to verify that the income provided by an applicant in an income certification is accurate by taking any of the following steps as a part of the verification process: (1) obtain a pay stub for the most recent pay period; (2) obtain an income tax return for the most recent tax year; (3) obtain an income verification form from the applicant's current employer; (4) obtain an income verification form from the Social Security Administration and/or the Massachusetts Department of Housing and Community Development if the applicant receives assistance from either of such agencies; or (5) if the applicant is unemployed and has no such tax return, obtain another form of independent verification.

E. The Owner will maintain complete and accurate records pertaining to the Lower Income Units, and during normal business hours and upon reasonable notice, will permit any

duly authorized representative of the Agency to inspect the books and records of the Owner pertaining to the incomes of and rents charged to Lower Income Tenants residing in the Project.

F. The Owner will prepare and submit to the Agency within fifteen (15) days after January 1 and July 1 in each year commencing with January 1, 2009, a "Certificate of Continuing Program Compliance" substantially in the form attached hereto as Exhibit B executed by the Owner stating: (i) the percentage of the dwelling units in the Project which were occupied by Lower Income Tenants (or held vacant and available for occupancy by Lower Income Tenants as provided above) during such period; and (ii) that to the knowledge of the Owner, no default has occurred under this Compliance Agreement.

G. The Owner will accept as tenants, on the same basis as all other prospective tenants, Lower Income Tenants who are recipients of federal certificates and/or vouchers for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937 or its successor, and shall not apply selection criteria to Section 8 certificate holders that are more burdensome than the criteria applied to all other prospective tenants.

H. With respect to each calendar year any portion of which is within the Qualified Project Period, the Owner shall file, on or before the March 31 following the end of such calendar year, Internal Revenue Service Form 8703, Annual Certification of a Residential Rental Development, with the Internal Revenue Service, Philadelphia, Pennsylvania 19255, or at such other address as directed by a subsequent revision to such Form 8703.

## **SECTION 5. AGREEMENT TO RECORD.**

The Owner hereby represents, warrants and covenants that it will cause this Compliance Agreement to be recorded in the real property records of the Middlesex South County Registry of Deeds (the "Middlesex Registry") and in such other places as the Agency may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

## **SECTION 6. LIMITED RECOURSE.**

The provisions of Section 36 of the Mortgage are incorporated herein by reference as if set forth herein.

## **SECTION 7. CONSIDERATION.**

The Agency has issued the Bonds to obtain monies to provide financing for the Development, including the Project. In consideration of the issuance of the Bonds and the making of the Development Loan and the PDF Mortgage Loan by the Agency, the Owner has entered into this Compliance Agreement and has agreed to restrict the uses to which the Project can be put for the term hereof.

## **SECTION 8. RELIANCE.**

The Agency and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the Agency, the Owner and the Bondholders. In performing their duties and obligations hereunder, the Agency may rely upon statements and certificates of the Owner and Lower Income Tenants, and upon audits of the books and records of the Owner pertaining to occupancy and rental of the Project. In performing its duties hereunder, the Owner may rely on the Certificates of Tenant Eligibility and any verifications in support thereof, unless the Owner has actual knowledge that such Certificates or verifications are inaccurate. In addition, the Agency and the Owner may consult with Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Agency or the Owner hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Owner exists under this Compliance Agreement, the Agency shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely solely on any notice or certificate delivered to the Agency by the Owner with respect to the occurrence or absence of a default.

## **SECTION 9. SALE OR TRANSFER OF THE DEVELOPMENT.**

Except for leases and transfers permitted pursuant to the Mortgages and any other transfers permitted under any of the Contract Documents, the Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Development or any portion thereof, including any Project (other than for individual tenant use as contemplated hereunder), without obtaining the prior written consent of the Agency, which consent shall not unreasonably be withheld or delayed upon: (i) receipt by the Agency of reasonable evidence satisfactory to the Agency that the Owner's purchaser or transferee has assumed in writing and in full, and is reasonably capable of performing and complying with, the Owner's duties and obligations under this Compliance Agreement; (ii) receipt by the Agency of an opinion of counsel of the transferee that the transferee has duly assumed the obligations of the Owner under this Compliance Agreement and that such obligations and this Compliance Agreement are legal, valid and binding obligations of the transferee; (iii) receipt by the Agency of a certificate of an Owner Representative to the effect that no default has occurred and is continuing under this Compliance Agreement; (iv) evidence that all fees due the Agency under the Mortgage Notes are current or that satisfactory provision for payment of such fees has been made and (v) receipt by the Agency of an opinion of Bond Counsel that such purchase or transfer will not cause interest on the Bonds to become includable in gross income for federal income tax purposes. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Development, including the Project, in violation of this section shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations with respect to any Project under this Compliance Agreement. Nothing contained in this section shall affect any provision of the Mortgages or any other document or instrument between the Owner and the Agency which requires the Owner to obtain the consent of the Agency as a precondition to the sale, transfer or other disposition of the Development, including any Project,

or which gives the Agency the right to accelerate the maturity of the Mortgage Loans, or to take some other similar action with respect to the Mortgage Loans upon the sale, transfer or other disposition of the Development, including any Project.

#### **SECTION 10. TERM.**

This Compliance Agreement shall become effective upon its execution and delivery. This Compliance Agreement shall remain in full force and effect with respect to the Project for a term and period equal to its Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds, the Mortgage Loans and the satisfaction of the obligations of the Owner under the Mortgages. The terms of this Compliance Agreement to the contrary notwithstanding, this Compliance Agreement, and all and several of the terms hereof, may be terminated by the Agency, in its sole discretion, and be of no further force and effect in the event of: (i) (a) a foreclosure by or on behalf of the Agency of the lien of the Mortgages, or the delivery of a deed in lieu of foreclosure, pursuant to which the Agency, or a purchaser or transferee pursuant to such foreclosure, shall take possession of the Development, including any Project; or (b) involuntary noncompliance with the provisions of this Compliance Agreement caused by fire, seizure, or requisition, or change in a Federal law or an action of a federal agency after the date hereof which prevents the enforcement of the provisions hereof, or condemnation; and (ii) the payment in full and retirement of the Bonds within a reasonable period thereafter; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated with respect to the Project if, at any time subsequent to the termination of such provisions as the result of the foreclosure of the lien of the Mortgages or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any "related person" (within the meaning of Section 103(b) of the Code) obtains an ownership interest in the Project for federal income tax purposes. Upon the termination of this Compliance Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof, provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Compliance Agreement in accordance with its terms.

#### **SECTION 11. BURDEN AND BENEFIT.**

A. The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein with respect to the Project touch and concern the Project Site for the Qualified Project Period in that the Owner's legal leasehold interest in such Project is rendered less valuable thereby.

B. The Agency and the Owner hereby declare their understanding and intent that the covenants, reservations and restrictions set forth herein with respect to the Project directly benefit the Project Site for the Qualified Project Period: (i) by enhancing and increasing the enjoyment and use of the Development by certain Lower Income Tenants; (ii) by making possible the obtaining of advantageous financing for such Project; and (iii) by furthering the public purposes for which the Bonds were issued.

## **SECTION 12. UNIFORMITY; COMMON PLAN.**

The covenants, reservations and restrictions hereof with respect to the Project shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site.

## **SECTION 13. ENFORCEMENT.**

A. If an Event of Default pursuant to this Compliance Agreement remains uncured for a period of thirty (30) days after written notice thereof is given by the Agency to the Owner; then the Agency on its own behalf, may take any one or more of the following steps:

(a) By mandamus or other suit, action or proceeding at law or in equity, require the Owner to perform its obligations under this Compliance Agreement, or enjoin any acts or things which may be unlawful or in violation of the rights of the Agency hereunder.

(b) Have access to, and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project.

(c) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner under this Compliance Agreement.

B. In addition to the remedies set forth above, the Agency shall also be entitled in connection with an Event of Default on the part of the Owner with respect to any of the requirements of Section 4 hereof, to cause the Owner to pay to the Agency an amount equal to: (i) all rents received by the Owner with respect to the Lower Income Units in excess of the maximum rent the Owner is entitled to recover from Lower Income Tenants under Section 4A hereof; and (ii) all rents received by the Owner with respect to the Lower Income Units if and to the extent such units are knowingly or negligently rented to persons who do not qualify as Lower Income Tenants.

C. Additionally, in order to cause a Project to meet the requirements with respect to Lower Income Tenants set forth in Section 4 above, the Owner hereby grants to the Agency, as an additional remedy to those set forth above in connection with an Event of Default on the part of the Owner with respect to any of the requirements of Section 4 hereof with respect to a particular Project which remains uncured for a period of thirty (30) days, the option, during the Qualified Project Period and until the cure of such Event of Default, to lease from time to time up to twenty percent (20%) of the units in such Project for a rental of \$1.00 per unit per year for the purposes of subleasing such units to Lower Income Tenants. Any rental paid under any such sublease shall be paid to the Owner after the Agency has been reimbursed for any expenses reasonably incurred in connection with such sublease.

D. No breach of this Compliance Agreement will defeat, render invalid or impair the lien of the Mortgage.

#### **SECTION 14. GOVERNING LAW.**

This Compliance Agreement shall be governed by the laws of the State except to the extent such laws conflict with the laws of the United States.

#### **SECTION 15. AMENDMENTS.**

This Compliance Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the Middlesex Registry, provided, however, to the extent any amendments to the Code, which in the written opinion of Bond Counsel lodged with the General Counsel of the Agency (who shall deliver a copy thereof to the Owner), may impose requirements which are applicable to the ownership or operation of Development and which are more restrictive than those imposed by this Compliance Agreement, this Agreement shall be deemed to be automatically amended to incorporate such requirements. The parties hereby agree to execute such amendment hereto as shall be necessary to document such automatic amendment hereof.

#### **SECTION 16. NOTICE.**

Any notice or other communication in connection with this Agreement shall be in writing and (i) deposited in the United States mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service, such as Federal Express, or (iii) sent by facsimile transmission if a fax number is designated below, addressed as follows:

If to the Owner:

Woodland Station LLC  
c/o National Development  
2310 Washington Street  
Newton, MA 02462  
Attention: Thomas M. Alperin  
Fax: (617) 965-7361

with copies by regular mail or such hand delivery  
[or facsimile transmission] to:

Woodland Station LLC  
c/o National Development  
2310 Washington Street  
Newton, MA 02462

Attention: Richard P. Schwartz  
Fax: (617) 507-5875

and

Nutter McClennen & Fish LLP  
155 Seaport Boulevard  
Boston, MA 02210  
Attention: Robert A. Fishman, Esq.  
Fax: (617) 310-9204

If to Lender:

Massachusetts Housing Finance Agency  
One Beacon Street  
Boston, Massachusetts 02108  
Attention: General Counsel  
Fax: (617) 854-1029

Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above.

A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address; or (iii) if facsimile transmission is a permitted means of giving notice, upon receipt as evidenced by confirmation. Notice shall not be deemed to be defective with respect to the recipient thereof as a consequence of any refusal to accept receipt by any other party.

#### **SECTION 17. SEVERABILITY.**

If any provision of this Compliance Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

#### **SECTION 18. MULTIPLE COUNTERPARTS.**

This Compliance Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

#### **SECTION 19. INDEMNIFICATION.**

The Owner releases the Agency from, and covenants and agrees that the Agency shall not be liable for, and covenants and agrees, to the extent permitted by law, to indemnify and hold harmless the Agency and its officers, employees and agents from and against, any and all losses, claims, damages, liabilities or reasonable out-of-pocket expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with: (i) the Development, including the Project, or the conditions, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation or construction of the Development, the Project or any part thereof; (ii) the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by anyone other than the Agency in connection therewith and the carrying-out of any of the transactions contemplated by the Bonds and this Agreement; or (iii) the Trustee's acceptance or administration of the trusts under the Resolution, or the exercise or performance of any of powers or duties under the Resolution, provided that such indemnity shall not be required for any consequential damages or damages that result from gross negligence or willful misconduct on the part of the party seeking such indemnity. The Owner further covenants and agrees, to the extent permitted by law, to pay or (at the option of the Agency) to reimburse the Agency and its officers, employees and agents for any and all costs, reasonable attorney's fees, liabilities or reasonable out-of-pocket expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, expenses or actions, except to the extent that the same arise out of the gross negligence or willful misconduct of the party claiming such payment or reimbursement. The provisions of this Section shall survive the retirement of the Bonds. The Agency shall give notice to the Owner of any claim for indemnification, and the Owner shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same; provided that the Agency shall have the right to review and approve or disapprove any such compromise or settlement, and provided that the Agency shall act reasonably in connection therewith. In addition, the Owner shall pay all reasonable fees and expenses paid or incurred by the Agency in enforcing the provisions hereof.

#### **SECTION 20. ATTORNEY'S FEES.**

In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Compliance Agreement, the Owner agrees to pay reasonable attorney's fees and other reasonable expenses incurred by the Agency in connection with such action.


#### **SECTION 21. OTHER AGREEMENTS.**

This Compliance Agreement is intended to govern compliance with the provisions of the Act and Section 142 (d) (1) (A) of the Code with respect to the Bonds and shall not relieve Owner of any obligations it may have under the provisions of other documents and instruments with respect to the provisions of Section 42 of the Code with respect to Low Income Housing Credits relating to the Project.



IN WITNESS WHEREOF, the Agency and the Owner have caused this Agreement to be executed on their behalf by duly authorized representatives, all as of the date first written hereinabove.


**MASSACHUSETTS HOUSING FINANCE AGENCY**

By:  6EC  
Laurie R. Wallach, General Counsel

**WOODLAND STATION LLC,**  
a Massachusetts limited liability company

By: ND Woodland Station LLC, a Massachusetts limited liability company,  
its Managing Member and Authorized Signatory

By: NDNE Real Estate, Inc., its Manager

By:   
Name: Stephen A. Kinsella  
Title: Treasurer

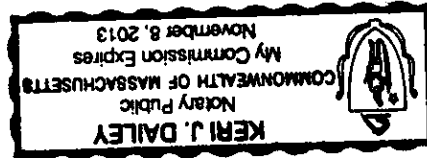
## COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

On this 21<sup>ST</sup> day of December, 2007, before me, the undersigned notary public, personally appeared Laurie R. Wallach, the General Counsel of the Massachusetts Housing Finance Agency, a body politic and corporate organized and operated under the provisions of Chapter 708 of the Acts of 1966, as amended, proved to me through satisfactory evidence of identification, which was personal knowledge of identity, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that she signed it voluntarily for its stated purpose.

Before me:

By: Keri J. Dailey  
Notary Public:  
My Commission Expires:



## COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

On this 20<sup>th</sup> day of December, 2007, before me, the undersigned notary public, personally appeared before me the above-named Stephen A. Kinsella ~~Treasurer~~ of NDNE Real Estate, Inc., the manager of ND Woodland Station LLC, the Managing Member of Woodland Station LLC who proved to me through satisfactory evidence of identification, which was personal knowledge of identity, 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 his free act and deed and the free act and deed of such limited liability company.

Before me:

Kathryn L. Childs  
Notary Public:

My Commission Expires:



KATHRYN L. CHILDS  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires March 1, 2013

EXHIBIT A

DESCRIPTION OF PROJECT SITE

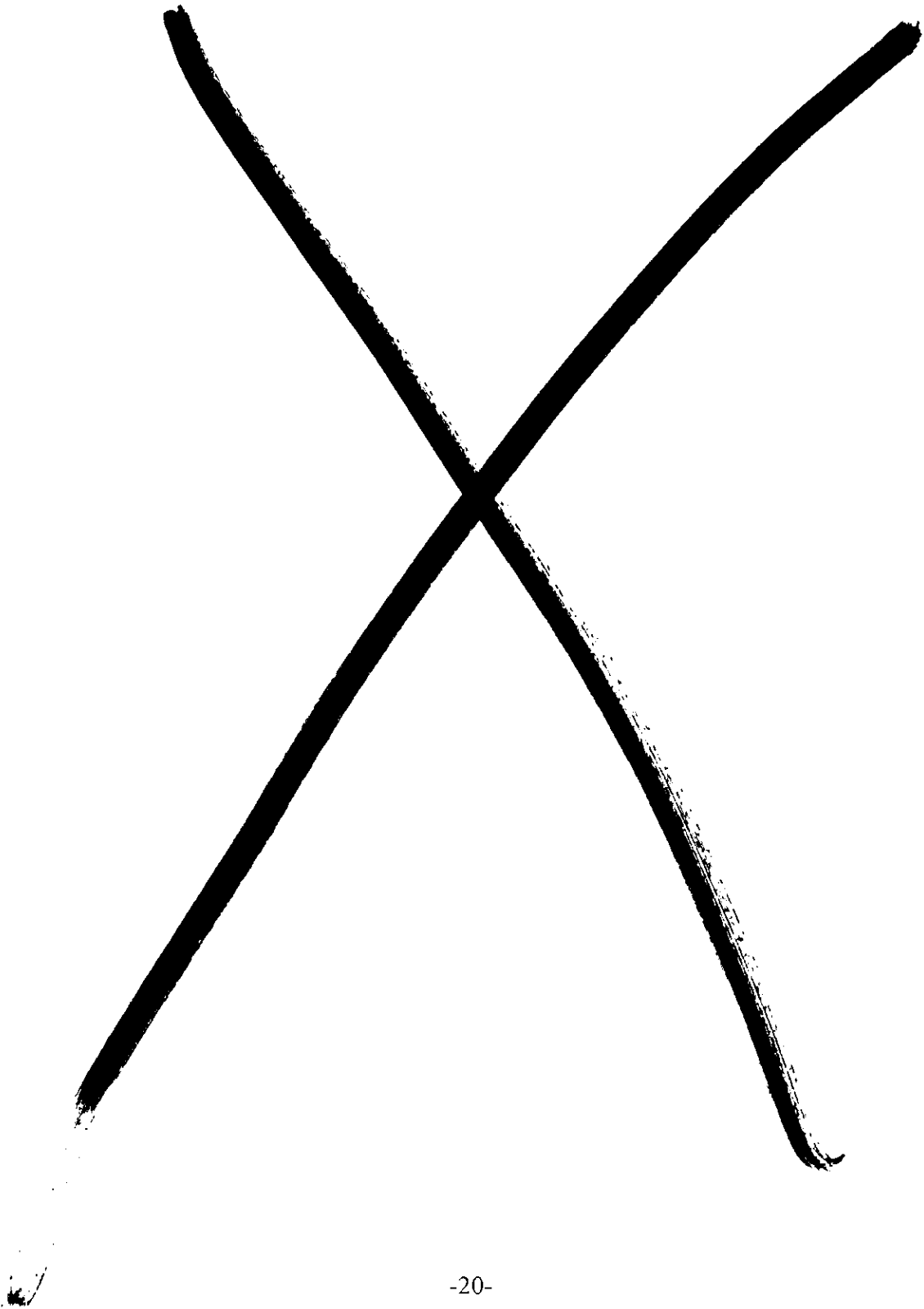


Exhibit A

## Legal Description

A certain parcel of land situated in the City of Newton, Middlesex County, Massachusetts shown as "Proposed Lease Area" on a plan of land entitled "Plan of Land in Newton, Massachusetts to be Leased by the M.B.T.A. to Woodland Station LLC", dated March 23, 2004, by Welch Associates Land Surveyors, Inc., recorded with the Middlesex South Registry of Deeds with the Notice of Lease in Book 43930, Page 364.

Said parcel of land is situated on the southerly side of Washington Street and is more particularly described as follows:

Beginning at a point on the southerly side of Washington Street; thence

S 33°55'26" E, a distance of ninety five and 17/100 (95.17') feet; thence

N 57°21'45" E, a distance of one hundred seventeen and 00/100 (117.00') feet; thence

S 35°20'23" E, a distance of twenty three and 48/100 (23.48') feet; thence

S 62°30'44" W, a distance of thirty two and 41/100 (32.41') feet; thence

S 38°44'33" E, a distance of fifty nine and 46/100 (59.46') feet; thence

S 51°15'27" W, a distance of twenty and 00/100 (20.00') feet; thence

S 38°44'33" E, a distance of ninety five and 36/100 (95.36') feet; thence

S 39°51'52" E, a distance of eleven and 64/100 (11.64') feet; thence

S 24°07'14" E, a distance of seventy nine and 84/100 (79.84') feet; thence

S 57°47'04" E, a distance of one hundred fifty and 60/100 (150.60') feet; thence

S 35°20'23" E, a distance of thirty five and 62/100 (35.62') feet; thence

S 43°54'00" E, a distance of one hundred seventy seven and 09/100 (177.09') feet; thence

S 55°01'04" E, a distance of two hundred thirty seven and 73/100 (237.73') feet; thence

S 46°11'54" W, a distance of two hundred twenty eight and 65/100 (228.65') feet; thence

N 43°50'13" W, a distance of seven hundred thirty seven and 61/100 (737.61'); thence

NORTHWESTERLY, more or less, by a curve to the right, having an arc length of twenty six and 55/100 (26.55') feet, a radius of two hundred fifty and 00/100 (250.00') feet, a chord bearing of N 40°47'41" W, and a chord length of twenty six and 54/100 (26.54'); thence

N 37°45'09" W, a distance of ninety one and 83/100 (91.83') feet; thence

NORTHWESTERLY, more or less, by a curve to the right, having an arc length of fifty three and 55/100 (53.55') feet, a radius of forty and 85/100 (40.85') feet, a chord bearing of N 01°23'44" W, and a chord length of forty nine and 80/100 (49.80') feet, thence

N 36°09'35" E, a distance of twenty three and 05/100 (23.05') feet; thence

NORTHEASTERLY, more or less, by a curve to the left, having an arc length of sixty eight and 89/100 (68.89') feet, a radius of fifty five and 00/100 (55.00') feet, a chord bearing of N 02°13'30" E, and a chord length of sixty four and 47/100 (64.47') feet; thence

N 33°39'24" W, a distance of twenty six and 29/100 (26.29') feet; thence

N 56° 9'11" E, a distance of thirty and 89/100 (30.89') feet to the point of beginning.

All of said measurements are as shown on the above referenced plan.

Said parcel of land contains three and 863/1000 (3.863) acres of land, more or less.

Together with the following appurtenant rights for Tenant's benefit: (1) the appurtenant rights set forth on Exhibit A-1 attached hereto (which is also Exhibit A-1 to the Lease), subject to the terms and conditions set forth therein; and (2) the easement rights appurtenant to the insured leasehold estate affecting land presently owned by Brae Burn Country Club described in the Deed and Grant of Easements by and among Woodland Station LLC, the MBTA and Brae Burn Country Club dated May 26, 2005, recorded with the Middlesex South Registry of Deeds in Book 45340, Page 358, and shown as Water Easement and Sewer Easement on the Easement Plan attached as Exhibit A-2 hereto, subject to the terms and conditions set forth in said instrument.

All capitalized terms not otherwise defined shall have the same meaning as provided in the Ground Lease.

#### EXHIBIT A-1

The Insured Premises consists of the Lease Area described on Exhibit A and also the following appurtenant rights for Tenant's benefit affecting the following areas shown on the plan attached as Exhibit A hereto: (a) the non-exclusive right in common with Landlord to use the Access Road for all purposes needed for Tenant's Residential Project including, without limitation, installing and connecting to utilities therein; (b) the right to install underground pipes under Landlord's Other Property to discharge stormwater drainage into the existing swales along the railroad tracks; (c) the non-exclusive right to use an area to be maintained as a buffer area between Tenant's Residential Project and Landlord's Other Property; (d) the non-exclusive right to use Landlord's Other Property to plant trees, bushes and other site amenities, including signage identifying Tenant's Residential Project and a below ground sewer pumping station; and (e) the non-exclusive right to use that portion of Landlord's Other Property which is shown on the Easement Plan (attached hereto as Exhibit A-2) that is labeled "Access and Utility Area" on said Easement Plan (hereinafter said land shall be referred to as the "Access and Utility Area") for the following purposes: (i) access on foot and by vehicle to and from the Leased Premises including, without limitation, access to and egress from the garage which is part of Tenant's Residential Project; (ii) to install, operate, use, maintain, repair and replace utilities therein including, without limitation, sewer lines and water lines with all appurtenances thereto (such lines being hereinafter referred to, respectively, as the "Sewer Line" and "Water Line"); (iii) except in the event of an emergency, to enter the Access and Utility Area at all reasonable times in the exercise of the foregoing rights; (iv) to construct a road beginning at the end of the Access Road and ending at the Brae Burn property (the "Maintenance Road") as shown on the Easement Plan; and (v) to install utilities requested by Brae Burn and approved by the MBTA (the "Additional Utilities"). Tenant also shall have such temporary construction easements and temporary and/or permanent slope easements affecting Landlord's Other Property as shown on Exhibit A hereto as may be required for Tenant's Residential Project. Subject to advance review and approval by Tenant Landlord may install an identification sign for Landlord's Other Property on the Insured Premises in a mutually agreed location using Landlord's standard sign graphics and with a design and materials consistent with the quality and appearance of Tenant's Residential Project. Tenant shall have the right, at all times and from time to time, to enter upon said appurtenant areas to install, maintain, repair, replace, relocate and use the foregoing facilities for the purposes described above.

All of the above easements herein granted are expressly granted with the obligation on the part of the party exercising such easements rights: (a) to repair, at its own cost, any damage arising from such exercise by such party of any rights or easements; (b) to provide reasonable advance written notice to the

other party prior to commencing such excavation, (c) to provide evidence of compliance with the applicable insurance requirements of the Lease prior to exercising such right, (d) in the case of excavation, to restore, at its own cost, the surface of the affected property to the same condition thereof as immediately prior to such excavation as is reasonably possible and perform such excavation only at such time and in such manner as to avoid unreasonable interruption in the other party's use and enjoyment of the affected property (including, without limitation, Landlord's Mass Transportation Activities) and (e) to comply with all applicable laws, statutes, regulations and ordinances now or hereafter in effect.

## EXHIBIT B

## CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

On \_\_\_\_\_, 20\_\_\_\_, the undersigned, having borrowed certain funds through the Massachusetts Housing Finance Agency for the purpose of acquiring and constructing a multifamily housing development (the "Project"), does hereby certify that such Project is in continuing compliance with the Residential Compliance Agreement executed by the undersigned and that, to the knowledge of the undersigned, no default exists under said Compliance Agreement. Specifically, it hereby is confirmed that each Lower Income Tenant currently residing in a unit in the Project has completed a Certificate of Tenant Eligibility and Income Verification in the form and at the times required by the Residential Compliance Agreement and that since commencement of the Qualified Project Period for the Project, at least 20% of the occupied Units in such Project have been rented to (or are vacant and last occupied by) Lower Income Tenants, at Affordable Rents (each of the foregoing capitalized terms having the meaning assigned in said Compliance Agreement), and that the following is the occupancy of such Units with respect to the Project as of this date:

[Insert schedule for the Project]

Occupied by Lower Income Tenants:

\_\_\_\_\_% Number of Units \_\_\_\_\_

Held Vacant for Occupancy by Lower Income Tenants:

\_\_\_\_\_%Number of Units \_\_\_\_\_

Total Affordable Units

20% \_\_\_\_\_

**WOODLAND STATION LLC,**

a Massachusetts limited liability company

By: ND Woodland Station LLC, a Massachusetts  
limited liability company,  
its Managing Member and Authorized Signatory

By: NDNE Real Estate, Inc., its Manager

By: \_\_\_\_\_

Name:

Title:



## EXHIBIT C

DESIGNATION OF LOWER INCOME UNITS  
 [To be prepared for the Project]

The following dwelling units are hereby designated as Lower Income Units:

**[Identify Specific Unit #s]**

Number Total Units in the Project \_\_\_\_\_

Total Units occupied to date \_\_\_\_\_

Total Units occupied by  
 Lower Income Tenants \_\_\_\_\_

Total Units available for rent  
 to Lower Income Tenants \_\_\_\_\_

Certifications of Tenant Eligibility are attached hereto for all new Lower Income Tenants who have moved into such multifamily development since the filing of the last Designation of Lower Income Units. The same are true and correct to the best of the undersigned's knowledge and belief.

**WOODLAND STATION LLC,**  
 a Massachusetts limited liability company

By: ND Woodland Station LLC, a Massachusetts  
 limited liability company,  
 its Managing Member and Authorized Signatory

By: NDNE Real Estate, Inc., its Manager

By: \_\_\_\_\_  
 Name:  
 Title:

EXHIBIT D  
CERTIFICATION OF TENANT ELIGIBILITY

Part I - General Information

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR 813). You should make certain that this form is at all times up to date with the HUD Regulations.

1. Development Name

2. Project Information

\_\_\_\_\_

\_\_\_\_\_

3. No. of Total Units

4. Name of Lender

\_\_\_\_\_

\_\_\_\_\_

5. Owner's Telephone No.

6. Manager's Name and Telephone No.

\_\_\_\_\_

\_\_\_\_\_

Part II - Unit Information

7. Apartment  
Address

8. Number of  
bedrooms

9. Monthly Rent

10. Number of  
Occupants

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Part III - Affidavit of Tenant

I, \_\_\_\_\_, and I, \_\_\_\_\_, as applicant(s) for rental of a Lower Income Unit in the above-described Development, or as current occupant(s) of a Lower Income Unit in the above-described Development, do hereby represent and warrant as follows:

1. (My/Our) adjusted income (anticipated total annual income) of \$ \_\_\_\_\_ does not exceed \$ \_\_\_\_\_ which is fifty percent (50%) of the median gross income for the \_\_\_\_\_ Primary Metropolitan Statistical Area. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/We) execute a rental agreement for a Lower Income Unit or the date of which (I/We) will initially occupy such unit, whichever is earlier (the "Applicable 12-Month Period").

2. For the tenant and all members of the household, include for the Applicable 12-month Period anticipated income from the following sources:

(a) the full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay and any earned income tax credit to the extent it exceeds income tax liability.

(a) \_\_\_\_\_

(b) net income from operations of a business or profession, including any withdrawal of cash therefrom except to the extent it reimburses cash or assets of the individual or family, and without deducting expenditures for business expansion or amortization of capital indebtedness, and using in determining the deduction for depreciation of capital assets only the straight-line method)

(b) \_\_\_\_\_

(c) net income of any kind from real or personal property, without deducting expenditures for amortization of capital indebtedness, and using in determining the deduction for depreciation only the straight-line method

(c) \_\_\_\_\_

(d) interest and dividends

(d) \_\_\_\_\_

(e) the full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, alimony, child support and regular contributions or gifts from persons not residing in the unit

(e) \_\_\_\_\_

(f) the maximum amount of public assistance available

(f) \_\_\_\_\_

(g) regular and special pay and allowances to a member of Armed Forces (whether or not living in the dwelling) who is head of the family or spouse

(g) \_\_\_\_\_

(h) with respect to any member of the household or any person who has any income included in 2(c) or (d), above, set forth on the following line (i) the amount of savings, stocks, bonds, equity in real property, or other form of capital investment (excluding interest in Indian trust lands) if such amounts, when added together, exceed \$5,000

(i) \_\_\_\_\_

Multiply the aggregate amount of line (i) by the current passbook savings rate as determined by HUD (which is \_\_\_\_\_)

(ii) \_\_\_\_\_

List the amount of income expected to be derived from the assets on line (i)

(iii) \_\_\_\_\_

Line (ii) minus Line (iii) (if less than \$0, enter \$0)

(iv) \_\_\_\_\_

(h) \_\_\_\_\_

Subtotal (a) through (h) \_\_\_\_\_

Less: portion of above items that are income of a member of the household who is less than 18 years old

&lt; \_\_\_\_\_ &gt;

Total Eligible Income \_\_\_\_\_

Note: The following items are not considered income: casual, sporadic or irregular gifts; amounts specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation); capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution;

government benefits to a veteran for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student; hazardous duty pay to a member of the household in the armed forces who is away from home and exposed to hostile fire; payments received for the care of foster children; income of a "live-in-aide" within the meaning of Section 813.102 of the HUD regulations; amounts received under training programs funded by HUD; amounts received by a "disabled person" that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency ("PASS"); amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred and that are made solely to allow participation in a specific program; reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era, but only with respect to initial determinations and reexamination of income carried out on or after April 23, 1993; and amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937.

3. As of the first day of occupancy of the unit which (I/we) propose to rent (a) either (I/we) or at least one other occupant of the unit is not an individual enrolled as a full-time student during each of five (5) calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and is not an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof or (b) if all of the occupants of the unit will be individuals described in (a), either (I/we) or one other occupant of the unit is a husband and wife entitled to file a joint Federal income tax return.

4. Neither (I/we) nor any other occupant of the unit (I/we) propose to rent is the Owner of the rental housing development which includes the unit (hereinafter the "Owner").

5. This affidavit is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility and (I/We) warrant that all information set forth in this Part III is true, correct and complete and based upon information (I/We) deem reliable and that the estimate contained in paragraph I is reasonable and based upon such investigation as the undersigned deemed necessary.

6. (I/We) will assist the Owner in obtaining any information or documents required to verify the statements made in this Part III.

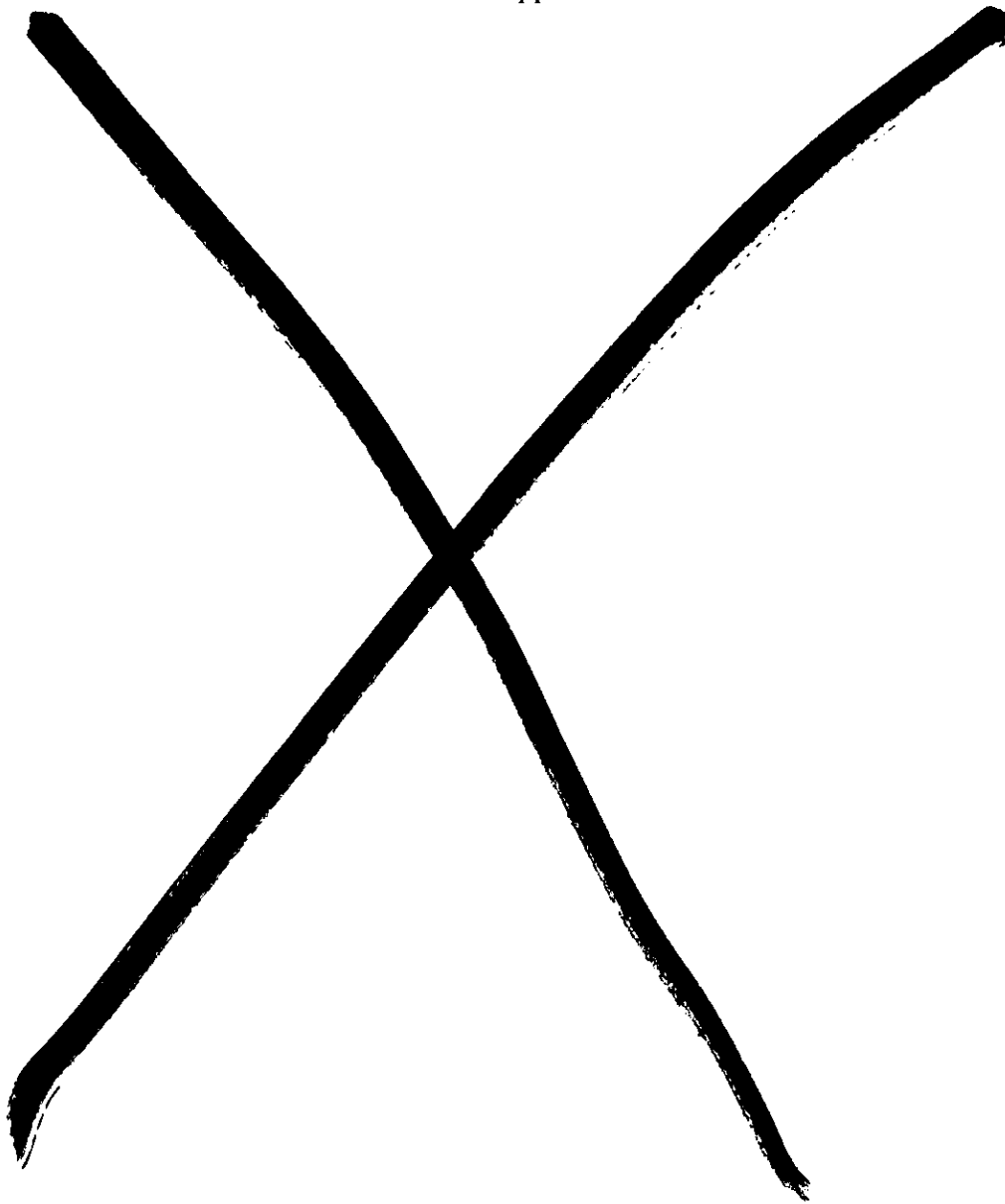
7. (I/We) acknowledge that (I/We) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate (my/our) occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Applicant



INCOME VERIFICATION  
(for employed persons)

The undersigned employee has applied for a rental unit located in a development financed by the Massachusetts Housing Finance Agency for persons of low and moderate income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages \_\_\_\_\_

Bonuses \_\_\_\_\_

Commissions \_\_\_\_\_

Total current income \_\_\_\_\_

I hereby certify that the statements above are true and complete to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

I hereby grant you permission to disclose my income to \_\_\_\_\_, a \_\_\_\_\_, in order that they may determine my income eligibility for rental of an apartment located in their development which has been financed by the Massachusetts Housing Finance Agency.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please send to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


*James C. Paine*  
\_\_\_\_\_  
Assistant Director S. Register

INCOME VERIFICATION  
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year for which such income tax returns could have been filed (or, if not filed, were not required to be filed), and certify that the information shown in such income tax returns is true and complete to the best of my knowledge and that any income tax returns not filed were not required to be filed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Robert J. Register