

**AFFORDABILITY MONITORING SERVICES AGREEMENT**

***For Comprehensive Permit Projects in Which Funding is Provided  
Through Other than a State Entity***

This Monitoring Services Agreement (this "Agreement") is made as of September 24, 2012, by and among the Massachusetts Housing Finance Agency acting as Subsidizing Agency as defined under the provisions of 760 CMR 56.02 (the "Subsidizing Agency"), LDS Consulting Group, LLC, having an address at 233 Needham Street, Newton, MA 02464 (the "Monitoring Agent"), and Kimloch Farm, LLC a Massachusetts limited liability company, having an address at 390 Goodrich St, Lunenburg, MA 01462, and its successors and assigns ("Developer").

RECITALS

WHEREAS, the Developer intends to construct a housing development known as Kimloch Farms (the "Project") consisting of 8 for-sale condominium units at a 6-acre site located at 120 Goldsmith Street in the Town of Littleton (the "Municipality"); and

WHEREAS, the Project is being financed with a \$812,500 construction loan (the "Loan") by a non-governmental entity for which the Massachusetts Housing Finance Agency acts as Subsidizing Agent pursuant to Massachusetts General Laws Chapter 40B, and the regulations at 760 CMR 56.00 and the Comprehensive Permit Guidelines issued pursuant thereto (the "Comprehensive Permit Rules"), and is subject to a Regulatory Agreement between the Subsidizing Agency and the Developer (the "Regulatory Agreement"); and

WHEREAS, the Developer has received a comprehensive permit (the "Comprehensive Permit") from the Zoning Board of Appeals of the Municipality in accordance with Chapter 40B, Sections 20-23, of the Massachusetts General Laws (the "Act"), which permit is recorded at the Middlesex South County Registry of Deeds ("Registry") in Book 59734, Page 499, as amended; and

WHEREAS, pursuant to the requirements of the Comprehensive Permit Rules and the Regulatory Agreement, twenty-five percent (25%) of the units in the Project (2 units) (the "Affordable Units") shall be sold to Eligible Purchasers (as defined in the Regulatory Agreement) at prices specified therein and shall be subject to resale restrictions as set forth in the Affordable Housing Restriction attached to the Regulatory Agreement (the "Affordability Requirement"); and

WHEREAS, at the request of the Subsidizing Agency, the Developer has agreed to retain the Monitoring Agent to perform certain administration, monitoring and enforcement services regarding compliance of the Project with the Comprehensive Permit Rules during the term of affordability of the Affordable Units.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Monitoring Services. Monitoring Agent shall monitor the compliance of the Project with the Affordability Requirement, as more fully described herein.

(a) Affordability Requirement. (i) Initial Sales. The Developer agrees to deliver to the Monitoring Agent the income, asset and age certifications, deeds and Affordable Housing Restrictions with respect to initial sales of Affordable Units as required under the Regulatory Agreement (the "Initial Sales Data"). The Monitoring Agent agrees to review the Initial Sales Data and determine the substantive compliance of the Project with the Affordability Requirement in accordance with the rules of the Subsidizing Agency. The Monitoring Agent shall also ensure substantive compliance with the approved Marketing Plan and lottery process. Upon completion of its review of Initial Sales Data, the Monitoring Agent shall deliver to the Subsidizing Agency and the Municipality a copy of such data together with the Monitoring Agent's determination of whether the Affordability Requirement has been met. The Subsidizing Agency shall make the final determination of whether the Affordability Requirement has been met and shall notify the Municipality of its determination.

(ii) Resales. The Monitoring Agent also agrees to monitor resales of Affordable Units (including review of income and asset certifications, deeds and Affordable Housing Restrictions) for compliance with the terms of the Affordable Housing Restriction, and issuance of certifications, as appropriate, in connection with approval of resales. The Monitoring Agent shall also locate and select, or provide assistance to the Municipality in locating and selecting, Eligible Purchasers, including without limitation, ensuring compliance with the approved Marketing Plan and lottery process.

On resale of an Affordable Unit, at the request of the purchaser, the Monitoring Agent shall, if necessary under the terms of the Affordable Housing Restriction, issue a new Resale Price Certificate recalculating the Resale Price Multiplier in accordance with the terms of the Affordable Housing Restriction, and the purchaser may record the new Resale Price Certificate immediately after the recording of the deed to such Affordable Unit. The Resale Price Multiplier set forth in the most recently recorded Resale Price Certificate shall apply to each subsequent resale of the Affordable Unit.

(b) Annual Reports. Until the Affordability Requirement has been met, the Monitoring Agent agrees to prepare and deliver annually a report (the "Annual Compliance Report") to the Subsidizing Agency and to the Zoning Enforcement Officer of the Municipality on compliance of the Project with the Affordability Requirement. The Annual Compliance Report shall indicate the extent of noncompliance with the relevant reporting and/or substantive requirements, describe efforts being made by the Developer to remedy such noncompliance and, if appropriate, recommend possible enforcement action by the Monitoring Agent and/or Municipality against the Developer. The Monitoring Agent shall deliver the Annual Compliance Report within one hundred twenty (120) days of the end of each calendar year during the term of this Agreement.

(c) Supplemental Monitoring Services. The Monitoring Agent shall provide reasonable supplemental monitoring on its own initiative in order to ensure to the extent practicable (i) the compliance by the Developer with the Affordability Requirement, and (ii) the compliance by the owners of the Affordable Units with the requirements of the Affordable Housing Restriction, including without limitation the owner-occupancy requirement and the Resale Restrictions (including recalculating the Resale Price Multiplier, if necessary). The services hereunder shall also include considerations of requests for refinancing, approval of capital improvements, further encumbrances and leasing an Affordable Unit. The services hereunder shall not include any construction monitoring. The services hereunder shall include follow-up discussions with the Developer and/or owners of the Affordable Units, if appropriate, after an event of noncompliance. The Monitoring Agent shall be entitled to a reasonable fee for supplemental monitoring services as set forth in the Homebuyer Disclosure Statement executed by the buyer of the Affordable Unit.

2. Monitoring Services Fee. The Monitoring Agent shall receive a fee of \$4,000.00 from the Developer at the time of execution of this Agreement. Such fee shall constitute payment for the services of the Monitoring Agent with respect to compliance by the Developer with the Affordability Requirement in connection with initial sales of the Affordable Units. As provided in the Affordable Housing Restriction for each Affordable Unit, the Monitoring Agent shall receive a Resale Fee of up to two and one-half percent (2.5%) of the product of the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, to be paid by the seller of the Affordable Unit at each closing as a condition precedent to closing, for the services with respect to monitoring each subsequent sales transaction for compliance with the Resale Restrictions and the other terms of the Affordable Housing Restriction. Such fee shall be payable for all transfers of Affordable Units, including those to an Eligible Purchaser or any other purchaser. If the Monitoring Agent's fee is not paid at the time of closing, the Monitoring Agent shall be entitled to payment from the purchaser of the Affordable Unit and to bring an action and seek an attachment of the interest of the purchaser in the Affordable Unit. Neither the Subsidizing Agency nor the Municipality shall have any responsibility for payment of any fee to Monitoring Agent hereunder.

3. Enforcement Services. In the event of serious or repeated violations of the substantive or reporting requirements of the Regulatory Agreement (with respect to the Affordability Requirement) or a failure by the Developer to take appropriate actions to cure a default under the Regulatory Agreement (with respect to the Affordability Requirement), the Monitoring Agent shall have the right, with the prior consent of the Subsidizing Agency, to take appropriate enforcement action against the Developer, including, without limitation, legal action to compel the Developer to comply with the Affordability Requirement. The Regulatory Agreement provides for payment by the Developer of fees and expenses (including legal fees) of the Monitoring Agent in the event enforcement action is taken against the Developer thereunder and grants to the Monitoring Agent a lien on the Project, junior to the lien securing the Loan, to secure payment of such fees and expenses. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing the Regulatory Agreement against the Developer and to assert a lien on the Project to secure payment by the Developer of such fees and expenses.

In the event of a violation of the provisions of a Affordable Housing Restriction, the Monitoring Agent shall have the right, with the prior consent of the Subsidizing Agency, to take appropriate enforcement action against the unit owner or the unit owner's successors in title, including, without limitation, legal action to compel the unit owner to comply with the requirements of the relevant Affordable Housing Restriction. The form of Affordable Housing Restriction shall provide for payment by the unit owner of fees and expenses (including legal fees) of the Monitoring Agent in the event enforcement action is taken against the unit owner thereunder and shall grant to the Monitoring Agent a lien on the unit, junior to the lien of any institutional holder of a first mortgage on the unit to secure payment of such fees and expenses. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing an Affordable Housing Restriction against the unit owner and to assert a lien on the relevant unit to secure payment by the unit owner of such fees and expenses.

The Monitoring Agent shall not be entitled to seek any compensation or reimbursement from the Subsidizing Agency or the Municipality in connection with the enforcement services under this Section, it being understood that the Monitoring Agent shall look solely to the reimbursement rights described above for payment of the Monitoring Agent's costs and expenses.

4. Term. The monitoring services are to be provided for so long as there is any Affordable Unit subject to an Affordable Housing Restriction. The term of this Agreement shall end on the date six (6) months after the later to occur of the latest expiration date of the term of the Affordable Housing Restriction attached to any of the Affordable Units.

5. Responsibility of Monitoring Agent. The Monitoring Agent shall not be held liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without gross negligence.

6. Successor Monitoring Agent/Further Delegation/Conflict of Interest. (a) This Agreement is terminable at will by the Monitoring Agent or the Subsidizing Agency with sixty (60) days notice to the other parties. In addition, this Agreement is terminable immediately by the Subsidizing Agency should the Monitoring Agent be dissolved or become incapable of fulfilling its obligations during the term of this Agreement. In the event of termination of this Agreement, the Subsidizing Agency shall promptly appoint a successor monitoring agent to serve as Monitoring Agent for the remaining term of this Agreement.

(b) The Monitoring Agent shall not delegate all or any portion of its obligations hereunder without the prior approval of the Subsidizing Agency. If the Monitoring Agent performs any functions for the Developer, such as running the lottery, that would be subject to oversight by the Monitoring Agent, the Monitoring Agent must delegate oversight of such functions to a MassHousing-approved entity.

7. Indemnity. The Developer agrees to indemnify and hold harmless the Monitoring Agent, the Subsidizing Agency and the Municipality against all damages, costs and liabilities, including reasonable attorney's fees, asserted against the Monitoring Agent, the Subsidizing

Agency or the Municipality by reason of its relationship with the Project under this Agreement and not involving the Monitoring Agent, the Subsidizing Agency or the Municipality acting in bad faith and with gross negligence.

8. Applicable Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of The Commonwealth of Massachusetts.

9. Binding Agreement. This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns.

10. Headings. All paragraph headings in this Agreement are for the convenience of reference only and are not intended to qualify the meaning of the paragraph.

11. Third-Party Beneficiaries. The Subsidizing Agency, the holder of the mortgage securing the Loan (for so long as the Loan is outstanding) and the Municipality shall be entitled to enforce this Agreement and may rely on the benefits of this Agreement.

12. Entire Agreement. This Agreement supersedes all prior agreements between the parties with respect to the Project, whether oral or written, including without limitation, all correspondence between the parties and between counsel for their respective parties. This Agreement constitutes the sole and entire agreement between the parties hereto with respect to the subject transaction, and the rights, duties, and obligations of the parties with respect thereto. In executing this Agreement, the Monitoring Agent acknowledges that the Monitoring Agent is not relying on any statement, representation, warranty, covenant or agreement of any kind made by the Developer, the Subsidizing Agency or the Municipality or any employee or agent of any of the foregoing, except for the agreements set forth herein.

13. Definitions. Any capitalized term used and not defined herein shall have the same meaning as set forth in the Regulatory Agreement.

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

KIMLOCH FARM, LLC, as Developer as aforesaid

By:

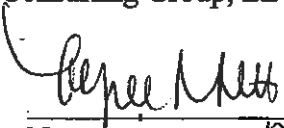


Name: William D. Chisholm

Title: Manager

LDS Consulting Group, LLC

By:

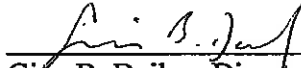


Name: Lynne D. Sweet

Title: Managing Member

MASSACHUSETTS HOUSING FINANCE AGENCY, as  
Project Administrator as aforesaid

By:



Gina B. Dailey, Director of Comprehensive Permit  
Programs

-----