

Bk: 36507 Pg: 166

Recorded: 09/25/2002

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20

AFFORDABLE HOUSING RESTRICTION

David Aposhian, Trustee of Somerville Housing Group Trust II, under declaration of trust dated November 19, 1999 recorded with the Middlesex South Registry of Deeds in Book *, Page (the "Grantor"), with a usual address of P.O. Box 436, Somerville, MA 02143, owner of certain condominium units located at the 411-429 Norfolk Street Condominium located at 411 Norfolk Street, Somerville, MA, which units are more particularly described in Exhibit A attached hereto (the "Property"), and the City of Somerville, a Massachusetts body politic and corporate and a political subdivision of the Commonwealth of Massachusetts, with a usual address of 93 Highland Avenue, Somerville, Massachusetts 02143 ("City" or "Grantee"), in consideration for certain zoning relief described in Exhibit B attached hereto, hereby covenant and agree that the Property shall be subject, in perpetuity, to this Affordable Housing Restriction ("Affordable Housing Restriction").

* ON 9/12/02, #37

1. Governing Law.

The Grantor and the City intend and agree that this Affordable Housing Restriction shall be an "affordable housing restriction" as that term is defined in M.G.L. 184, s.31, with the benefit of s. 32. and used in M.G.L. c. 184, ss.26, 31, 32 and 33. The Grantor and the City hereby covenant that this Affordable Housing Restriction shall run with the land and shall be binding upon and enforceable against the Grantor, and its successors and assigns; and notwithstanding the lack of privity of estate, and/or other statutes or rules of law which may impose time limitations on such restrictions, this Affordable Housing Restriction shall inure to the benefit of and be enforceable by the City and its successors and assigns, in perpetuity. Each and every instrument of conveyance subsequent to the date hereof shall expressly state that it is subject to this Affordable Housing Restriction, provided that the absence of such statement shall not affect its validity and enforceability.

2. Zoning Requirement/Purpose of Restriction.

The zoning decision (as amended), which is attached hereto as Exhibit B, granted a special permit for Phase One of the Union Place Development. Phase One consists of fifty (50) units of housing to be constructed in two stages: two buildings at 411 and 419-421 Norfolk Street, respectively (Stage One) and one building at 429 Norfolk Street (Stage Two). The Grantor has agreed to provide a total of eleven (11) affordable units in connection with Phase One, of which six (6) affordable units will be provided in connection with Stage One of Phase One, and the remaining five will be provided in connection with Stage Two of Phase One, as set forth in the memorandum of the City of Somerville Office of Housing and Community Development's Housing Director, which is attached hereto as Exhibit C.

20.00

388

MSD 09/25/02 10:00:20

This Affordable Housing Restriction governs Stage One of Phase One of the Union Place Development. The purpose of this Affordable Housing Restriction is to ensure that six "for sale" condominium units in Stage One of Phase One shall be occupied in perpetuity as affordable housing units ("Affordable Units"). All obligations of the Grantor under this Restriction shall end upon the sale of the six Affordable Units designated herein to Income Eligible Families, provided that nothing herein shall affect Grantor's agreement to provide an additional five affordable units in connection with Stage Two of Phase One.

3. Terms of Affordability.

Unless otherwise agreed by the City, by a written amendment to this Affordable Housing Restriction recorded with the Middlesex South District Registry of Deeds, the Affordable Units shall be:

- i) owner-occupied condominium units;
- ii) restricted for sale at an affordable price to income eligible families; and
- iii) occupied by such families as their principal residence on a year-round basis.

a. Designation of Affordable Units. The Affordable Units are hereby designated as the Units listed on **Exhibit A** hereto.

b. Affordable Price Defined.

The initial sale price for each Affordable Unit shall not exceed the Affordable Price set forth in **Exhibit D** attached hereto. For each subsequent sale, the Affordable Price shall be determined in conjunction with the City, so that the total estimated annual costs for mortgage principal and interest, utilities, real estate taxes, private mortgage insurance, homeowner's insurance, and common area fees do not exceed thirty-five (35%) of the Annual Income of an Income Eligible Family, as defined in Subsection "c" below.

c. Income Eligible Family Defined.

A "Family" is defined as an individual, or two or more persons related by blood, marriage or adoption, living together as a single housekeeping unit and occupying one dwelling unit; or a group (but not more than four) or pair of individuals, not so related, but living together as a single housekeeping unit. "Annual income" shall be the anticipated total income from all sources received by all members of the Family over the age of eighteen, including members temporarily absent. Without limiting the generality of the foregoing, Annual Income includes net income from assets.

Unit 411-1B, 411-1D, 411-2E and 419-421-1B shall be restricted for sale to a Family whose Annual Income does not exceed 80% of the Median income for the

Boston Metropolitan Statistical Area ("BMSA") based on family size, as determined annually by the U.S. Department of Housing and Urban Development ("HUD").

Units 411-2D and 411-2J shall be restricted for sale to a Family whose Annual Income does not exceed 110% of the Median income for the BMSA based on family size, as determined annually by HUD.

The 80% and 110% BSMA median income limits in effect at the time of execution of this Affordable Housing Restriction are attached hereto as **Exhibit E**. A Family meeting the applicable foregoing requirements shall be deemed an "Income Eligible Family".

d. Principal Residence Requirement. An Affordable Unit may not be subleased. It must be occupied as the year-round principal residence of the Income Eligible Family Owning such Unit.

e. Condition of Units/Property. The Affordable Units shall be kept in good repair and maintained in a safe and sanitary condition, in full compliance with state and local law.

f. Family Size/Number of Bedrooms. The City reserves the right to withhold approval of an otherwise Income Eligible Family for occupancy of a particular Affordable Unit if the Family size is less than 1.0 persons per bedroom or greater than 1.5 persons per bedroom.

g. Periods of Temporary Noncompliance.

1) *Over-income Families:* A Family which was Income Eligible at the time of purchase shall not be in violation of this Affordable Housing Restriction as a result of an increase in income during its period of ownership, provided that (x) any subsequent transfer of the Affordable Unit by such Family is to an Income Eligible Family; and (y) if the transfer is by sale, it is at an Affordable Price; and (z) that such transfer is in all respects in compliance with the terms of this Affordable Housing Restriction.

2) *Inherited Units:* In the case of an Affordable Unit which has been transferred by descent or devise to a non-income Eligible Family, the City shall determine, on a case by case basis, the period of time within which such Affordable Unit must be resold to an Income Eligible Family at an Affordable Price; provided, however, that in no case shall the period of time be less than nine (9) months from the date of death of the transferor.

h. Restrictions against Encumbrances. Except for the first mortgage granted in connection with the initial conveyance of each Affordable Unit, no Affordable Unit may be mortgaged or otherwise encumbered without the prior written consent of the City. The purpose of this section is to ensure that no Affordable Unit is encumbered with monetary obligations exceeding the then current Affordable Price for such Unit.

4. Marketing/Income Certification.

The Grantor shall be responsible for marketing the Affordable Units in accordance with a marketing plan approved by the Housing Division of the City of Somerville Office of Housing and Community Development ("OHCD"). OHCD shall be responsible for certifying that the

proposed purchaser is an Income Eligible Family. Each time an Affordable Unit is sold, the City shall re-evaluate the income eligibility of the purchaser and the affordability of the price and provide a written certification in recordable form, which shall be recorded with the unit deed transferring title, stating that the Affordable Unit is being sold to an Income Eligible Family at an Affordable Price.

5. NonDiscrimination.

The Grantor shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin, source of income, status as a holder of a Section 8 or other voucher or certificate, or any other basis prohibited by law in the marketing, sale, use or occupancy of any Affordable Units.

6. Changes to Affordable Units.

No Affordable Unit shall be eliminated or reduced in size without the prior written consent of the City, except in the case of a taking by eminent domain or substantial damage or destruction of the unit by casualty, in which latter case, the Affordable Unit shall be restored upon the restoration of the building in accordance with the governing documents of the condominium.

7. Right of First Refusal.

If the Grantor or any subsequent owner of an Affordable Unit ("Owner") desires to sell, dispose of, or otherwise convey an Affordable Unit, said Owner shall so notify the City in writing ("Owner's Notice"). The Owner's Notice shall include (i) a copy of the Owner's deed; (ii) a copy of any recorded mortgage(s); and (iii) the Owner's proposed sale price, which shall not exceed an Affordable Price as defined in Paragraph 3b herein or, at the City's sole discretion, such other affordable price acceptable to the City of Somerville as may be consistent with then current Inclusionary Housing provisions of the Somerville Zoning Ordinance. The Owner's Notice shall be accompanied by a written appraisal of the fair market value of such Affordable Unit (assuming it to be free of all restrictions set forth herein) prepared by a qualified real estate appraiser, using professional appraisal standards acceptable in Massachusetts. The City shall have thirty (30) days following the giving of the Owner's Notice to respond in writing that the City or a designee of the City (including without limitation, a nonprofit entity such as the Somerville Housing Authority or Somerville Affordable Housing Trust Fund) intends to purchase the Affordable Unit at the proposed sale price; and a Closing shall occur no-later-than ninety (90) days thereafter ("Closing Period"). The conveyance of the Affordable Unit to the City or its designee shall be by Quitclaim Deed conveying good and clear record and marketable title, and shall otherwise conform to the standard terms of a then current Greater Boston Real Estate Board's ("GBREB") standard form purchase and sale agreement for condominiums, or the then commonly used successor standard form if the GBREB standard form no longer exists.

If the City or its designee does not elect to purchase the Affordable Unit within the Closing Period, then the Owner shall proceed to sell such Unit at an Affordable Price to an Income Eligible Family in accordance with Paragraph 3 of this Affordable Housing Restriction. Any sale made in violation of this Affordable Housing Restriction shall be null and void. A certificate of compliance issued by the City and recorded at the Middlesex South District

11. Notice.

Written notices shall be given by telegram; or by federal express, express mail, or any other nationally recognized overnight delivery service; or by telecopier, provided a copy is sent by first class mail, postage prepaid,

To the City Addressed to:

Housing Director
Office of the Housing and Community Development
50 Evergreen Avenue
Somerville, MA 02145
FAX: 617-666-8035

With copies to:

OHCD Special Counsel
City Hall
93 Highland Avenue
Somerville, MA 02143
FAX: 617-776-8847

and

Planning Director
Planning Department
City Hall
93 Highland Avenue
Somerville, MA 02143
FAX: 617-625-0722

and

To the Grantor addressed to:

David Aposhian, Trustee of Somerville Housing Group II
P.O. Box 436
Somerville, MA 02143
FAX: 617-629-3015;

and

To the Grantor's successors in title to the Unit Owner named in the Unit Deed at the address set forth on the Unit Deed.

Any change in the foregoing shall be given by fifteen (15) days prior written notice. Notice shall be deemed to have been given on the earlier of (i) the date of actual receipt; or (ii) the date of tender of delivery by one of the above prescribed methods.

Registry of Deeds shall be conclusive evidence that the City's resale restrictions have been complied with.

8. Enforcement/Effective Date of Restriction.

The Grantor hereby authorizes the City to file or record any notices or instruments appropriate to ensure the enforceability of this Affordable Housing Restriction, and the Grantor, on behalf of itself and its successors and assigns, appoints the City as its attorney-in-fact to execute, acknowledge and deliver any such notices or instruments on behalf of the Grantor. Without limiting the foregoing, the Grantor agrees to execute any reasonable instruments upon the reasonable request of the City. This Affordable Housing Restriction shall be effective and shall begin to run as of the date of execution hereof, and to the extent that enforceability depends upon the approval of governmental officials, such approval shall relate back to the date of execution.

9. Rights and Remedies of the City.

The City shall have the right to enter upon the Affordable Units with reasonable advance notice to an Affordable Unit Owner in order to verify compliance with this Affordable Housing Restriction. If such Affordable Unit Owner is not in compliance, the City shall give the Affordable Unit Owner written notice to that effect, stating what must be done to restore compliance. If the said Affordable Unit Owner fails to bring the Affordable Unit into compliance within the time period specified in the written notice, the City shall have the right to bring an action for specific performance to compel such compliance; to bring an action for monetary damages sufficient to compensate the City for the loss of the Affordable Unit; to seek reimbursement for costs and attorney's fees; and /or take such other action or actions and seek such other remedy or remedies as may be available to the City. The City may avail itself of any and all of the foregoing remedies and shall be under no obligation to make an election.

10. Rights of Mortgagees.

Notwithstanding anything to the contrary contained elsewhere in this Affordable Housing Restriction, but subject to the provisions of this section, if the holder of a mortgage on an Affordable Unit is a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender, and such holder acquires title to an Affordable Unit through a foreclosure sale or by acceptance of a deed in lieu of foreclosure, or a bona fide purchaser (other than the mortgagee-in-foreclosure) acquired title through a foreclosure sale, this Affordable Housing Restriction shall lapse and shall be of no further force or effect.

If any Affordable Unit is sold at foreclosure for a price in excess of the total sum which the holder is entitled to recover pursuant to the terms of the mortgage, 100% of such excess shall be paid to the City in consideration for the loss of the value and benefit of the Affordable Housing Restriction. At the holder's request, the City shall indemnify the holder against loss or damage resulting from any claim based on payment of such excess, provided the holder gives the City prompt notice of the claim and an opportunity to defend such claim. To the extent that the Grantor possesses any interest in any monies payable to the City hereunder, the Grantor hereby assigns its interest in such amount to said holder for payment to the City/Grantee.

12. Waiver

Nothing contained in this document shall limit the rights of the City to release or waive, from time to time, in whole or in part, any or all of the rights, restrictions, covenants, or agreements contained herein with respect to the Affordable Units. Any such release or waiver must be made in writing executed by the Mayor.

13. Severability.

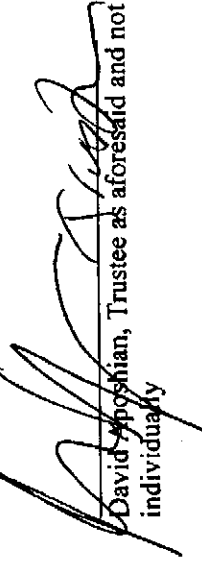
If any provision of this Affordable Housing Restriction, or its application to any person or circumstance is held to be invalid or unenforceable, the remaining provisions, or the application of such provision to persons or circumstances, other than those as to which it was held invalid or unenforceable, shall not be affected thereby, and every other provision and application shall be valid and enforceable to the fullest extent permitted by law.

14. Successors and Assigns.

References to the Grantor and the City shall be deemed to include their successors and assigns, whether specifically so stated or not.

EXECUTED as a sealed instrument this 4 day of September, 2002.

GRANTOR: SOMERVILLE HOUSING
GROUP TRUST II


David Aposhian, Trustee as aforesaid and not
individually

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss. September 4, 2002

Then personally appeared the aforementioned David Aposhian, Trustee of Somerville Housing Group II, and acknowledged this Affordable Housing restriction to be his free act and deed, as trustee, before me, a notary public.


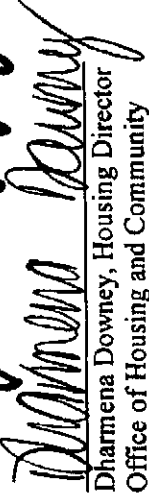


Mary Doolley
Notary Public-
My commission expires: Aug 25, 2002

CITY OF SOMERVILLE
ACCEPTANCE AND APPROVAL

The City of Somerville hereby accepts the grant of the foregoing Affordable Housing Restriction and, by co-signing below, the Housing Director of the City's Office of Housing and Community Development hereby approves this Affordable Housing Restriction as meeting the Inclusionary Housing requirements of the City of Somerville Zoning Ordinance.

GRANTEE: CITY OF SOMERVILLE

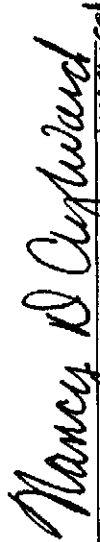

Dorothy Kelly Gay, Mayor

Dharmena Downey, Housing Director
Office of Housing and Community
Development

COMMONWEALTH OF MASSACHUSETTS

, ss.

Sept 5, 2002

Then personally appeared the above-named Dorothy A. Kelly Gay, Mayor and acknowledged this instrument to be her free act and deed and the free act and deed of the City of Somerville, before me, a notary public.


Notary Public - NANCY D. CYWARD
My commission expires: 10/8/04

COMMONWEALTH OF MASSACHUSETTS

, ss.

Sept 5, 2002

Then personally appeared the above-named Dharmena Downey, Housing Director of the Office of Housing and Community Development, and acknowledged this instrument to be her free act and deed, before me, a notary public.



Notary Public - NANCY D. CYWARD
My commission expires: 10/8/04

EXHIBIT A

411 Norfolk Street, Unit 411-1B -
This is a studio unit - approx. 330 s.f.

411 Norfolk Street, Unit 411-1D -
This is a studio unit - approx 330 sf

419-421 Norfolk Street, Unit 419-421-1B
This is a studio unit - approx. 330 s.f.

411 Norfolk Street, Unit 411-2D
This is a 3 bedroom unit - approx 1,117 s.f.
Townhouse style - 3 levels

411 Norfolk Street, Unit 411-2E
This is a 3 bedroom unit - approx 1,117 sf
Townhouse style - Corner Unit - 3 levels

411 Norfolk Street, Unit 411-2J
This is a 3 bedroom unit - approx 1,120 sf
Townhouse style - Corner Unit - 3 levels

The above units are more fully described in the Master Deed for 411-429 Norfolk Street
Condominium, dated 9/27, 2002, and recorded in the Middlesex South Registry of
Deeds for HELEN WITH.

EXHIBIT B
ZONING RELIEF

CITY CLERK'S OFFICE
SOMERVILLE, MA

2002 SEP 11 P 3:52



CITY OF SOMERVILLE, MASSACHUSETTS
PLANNING BOARD

DOROTHY A. KELLY GAY
MAYOR

STAFF

KRISTEN A. LEVESQUE, EXECUTIVE DIRECTOR
EAMON MCGILLIGAN, SENIOR PLANNER
PETER MAURO, JUNIOR PLANNER
FREDERICK J. LUND, DRAFTSMAN

MEMBERS

LINDA BOHAN
JOSEPH FAVALORO
ELIZABETH MORONEY
JAMES KURYLO
KEVIN PRIOR, CHAIRMAN

September 5, 2002

Mr. David Aposhian, Owner

Somerville Housing Group, Applicant
PO Box 436
Somerville, MA 02143

Via:

Ms. Margo Grossberg
PO Box 436
Somerville, MA 02143

RE: "Union Place" Planned Unit Development (PUD) -- Minor Revision
The Applicant, Somerville Housing Group, seeks approval of a minor revision to the previously approved Affordable Housing Restriction in the Preliminary Master Plan for the Planned Unit Development (PUD) application known as "Union Place." The Applicant is also seeking approval of a minor revision to the previously approved Affordable Housing Restriction for Phase I of the "Union Place" PUD. Planned Unit Development B (PUD-B) Zoning District.

Dear Mr. Aposhian:

At its regular meeting on September 5, 2002, the Planning Board heard the above-referenced case. Based upon the materials submitted, public comments, and the Staff recommendations, the Board voted UNANIMOUSLY (5-0) to approve the requested minor revisions to the previously approved Preliminary Master Plan for the Planned Unit Development (PUD) application known as "Union Place," and Phase I of the "Union Place" PUD.

In conducting its analysis, the Board found:

Mr. David Aposhian
Minor Revision to Affordable Housing Restriction

2007 SEP 11 P 3 53

1) Previous Approval of Residential Units: On September 25, 2000, the Planning Board approved the preliminary master plan for the PUD known as Union Place. This plan included the following breakdown of residential uses all off which were to be rented:

84 Webster Avenue:

- 24 artist live/work studios

85 Webster Avenue:

- 13 studios
- 11 2-BR units
- 3 3-BR units

[actually should be 2 3-BR units as per application stamped in City Clerk's office on August 1, 2000].

411-429 Norfolk Street:

- 26 studios
- 18 2-BR units
- 8 3-BR units

2) Inclusionary Housing Obligation: The same September 25, 2000 approval also gave the following breakdown of affordable units that were to be designated:

84 Webster Avenue:

- no units

85 Webster Avenue:

- 7 studios

411-429 Norfolk Street

- 3 studios
- 8 3-BR units

An agreement reached by the former Housing Director, Andrea Shapiro, and the Applicant, on August 8, 2000 indicated that four of the three bedroom units at Norfolk Street would be rented at 80% AMI and four would be rented at 50% AMI. Of the ten studio units at Webster Avenue and Norfolk Street, seven would be rented at 80% AMI and three would be rented at 50% AMI.

3) Current Proposal: The Applicant has since needed to change the form of ownership of the units at Norfolk Street from rental to condominium in order to obtain financing for the rest of the project. In addition, the Applicant and the City have found it difficult to market and sell the 3 bedroom units. Therefore, the Applicant is requesting a revision to the originally approved inclusionary housing plan. The revision would provide for the following:

411-429 Norfolk Street - Stage One

- 3 studio units

CITY CLERK'S OFFICE
SOMERVILLE, MA

2002 SEP 11 P 3:53

Mr. David Aposhian
Minor Revision to Affordable Housing Restriction

Of these units, all three studios would be sold at 80% AMI. One 3-BR would be sold at 80% AMI, and the other two 3-BR units would be sold at 50% AMI.

411-429 Norfolk Street - Stage Two

- 3 3-BR units
 - 2 1-BR units
- Of these units, the developer will execute a separate affordable housing restriction setting forth rental restrictions applicable in perpetuity. One 3-BR and one 1-BR unit would be rented to 80% AMI, and the rest at 50% AMI.

85 Webster Avenue

- 1 3-BR unit
- 7 studio units

Of these proposed units, it is the Board's understanding that the Applicant would provide for the 3-BR unit and three of the studios to be rented at 50% AMI and for the remaining four studios to be rented at 80% AMI.

Decision:

Based upon the above findings and information supplied by the OHCD Housing Director and OHCD Special Counsel, as well as the Staff recommendations, the Planning Board voted UNANIMOUSLY (5-0) to APPROVE the requested MINOR REVISIONS to the Preliminary Master Plan and Phase I for the Planned Unit Development Project known as Union Place.

The Board found that the requested change from rental to home ownership units for Phase I, Stage I were necessary in order to enable the Applicant obtain financing and continue with the other phases of the project. The type of ownership of the units did not alter the intent of the original approval or agreement. In addition, the Applicant and the City have found it difficult to market and sell the 3 bedroom units, therefore the Board found that the requested changes in unit counts and number of bedrooms were also consistent with the intent of the original approval.

In addition, the proposed changes do not propose any new general type of use beyond those approved initially, does not increase the building ground coverage, floor area ratio or residential density of the PUD, does not decrease any specified area regulations or enumerated parking ratios, nor substantially change access, circulation, or infrastructure on or adjacent to the site.

Sincerely,



Kristen A. Levesque
Executive Director

Mr. David Aposhian
Minor Revision to Affordable Housing Restriction

Cc: Eamon McGilligan, Senior Planner
Stephen Post, Executive Director, OHCD
Dharmena Downey, OHCD Housing Director
Anne Thomas, Special Counsel, OHCD
Lisa L. Mead, City Solicitor
Dava Felch, Assistant City Solicitor
Joseph Latronica, Superintendent of Inspectional Services Division

CITY CLERK'S OFFICE
SOMERVILLE, MA

2002 SEP 11 P 3 53

EXHIBIT C
HOUSING DIRECTOR MEMORANDUM



CITY OF SOMERVILLE, MASSACHUSETTS
OFFICE OF HOUSING & COMMUNITY DEVELOPMENT

STEPHEN M. POST
EXECUTIVE DIRECTOR

DOROTHY A. KELLY GAY
MAYOR

DIRECTORS
Mary Jo Bohart
Paul Connolly
Dharmena Downey
Sherri N. Geldersma
Jeffrey R. Levine
Christine Wrigley

To: Planning Board
Zoning Board of Appeals

From: Dharmena Downey, Housing Director *D.D.*

Cc: Lawrence N. Scult, Attorney, Somerville Housing Group Trust II, LLC

Date: September 3, 2002

Re: Union Place
411 Norfolk Street Condominium, 411 Norfolk Street, Somerville, MA
Inclusionary Housing Requirements

The Housing Department approves the plan outlined in this memorandum, which follows, fulfills and formalizes the City's Inclusionary Housing requirements related to Phase One of the Union Place development, which consists of a total of fifty units of housing in three buildings to be constructed as a two-stage condominium development known as the 411-429 Norfolk Street Condominium. Stage One consists of a total of thirty-one units in two buildings, nineteen of which will be located at 411 Norfolk Street and twelve of which will be located at 419-421 Norfolk Street. Stage Two consists of nineteen units to be constructed at 429 Norfolk Street.

In consideration for zoning relief, the city and owner/developer agree:

- In Stage One (411 and 419-421 Norfolk Street), which consists of "for sale" condominium units as part of the 411-429 Norfolk Street Condominium, six affordable units will be provided. Of these, three studio units, identified as Units 411-1B, 411-1D, and 419-421-1B will be made available for sale to households at or below 80% of area median income (AMI); one 3-bedroom unit, identified as Unit 411-2E, will be made available for sale to a household at or below 80% of AMI; and two, 3-bedroom units, identified as Units 411-2D and 411-2J, will be made available for sale to households at or below 110% of AMI.
- The developer will execute an affordable housing restriction governing Units 411-1B, 411-1D, 411-2D, 411-2E, 411-2J and 419-421-1B in perpetuity.

- The affordable housing restriction governing the Stage One affordable units (411 and 419-421 Norfolk Street) will provide that the units must be owner-occupied and will include resale restrictions requiring the units to be resold to income-eligible buyers at an affordable price as required by the Inclusionary Housing Section of the Somerville Zoning Ordinance.
- In Stage Two, five affordable rental units will be provided: two 3-bedroom units; and three 1-bedroom units. For Stage Two, the developer will execute a separate affordable housing restriction setting forth rental restrictions applicable in perpetuity. One 3-bedroom unit and one 1-bedroom unit will be rented at High HOME Rents to households at or below 80% of AMI and the remaining units will be rented at Low HOME Rents to households at or below 50% of AMI. If Section 8 or other rental subsidy recipients rent the units, rents can be set up to the maximum rent allowed by the subsidy source. The locations of these rent restricted units will be identified in the affordable housing restriction. The affordable housing restriction for Stage Two will provide owner occupancy and resale restrictions as well, in the event that the Developer decides to sell the market rate units and the restricted units must then be sold as affordable "for sale" units in conformity with the Inclusionary Housing Ordinance.
- All affordable units will be marketed for sale and rental to Somerville residents and Somerville employees in collaboration with the Housing Department. Prospective homeowners and tenants will be certified by the Housing Department as income eligible as part of the marketing process, and tenants will be re-certified annually with assistance from the owner and the management company.
- All affordable units will be consistent with unrestricted units in terms of finishes, appliances, parking, and other features and amenities.
- The developer will reference the affordable housing restrictions in subordinations of the condominium documents for Stage One and Stage Two to the restrictions and in the unit deed and/or lease for each affordable unit. The only units affected by such subordinations shall be the affordable units.

Agreed:

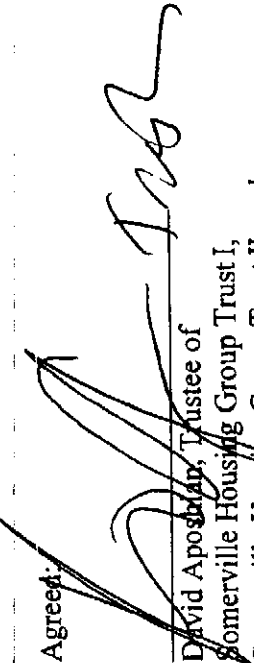

David Aposhian, Trustee of
Somerville Housing Group Trust I,
Somerville Housing Group Trust II, and
Somerville Housing Group Trust III,
and successors and assigns with respect
to the Union Place development or any part thereof.

EXHIBIT D
AFFORDABLE PRICES

Unit 411-1B:	\$104,200.00
Unit 411-1D:	\$104,200.00
Unit 419-421-1B	\$104,200.00
Unit 411-2E:	\$128,700.00
Unit 411-2D:	\$206,600.00
Unit 411-2J:	\$206,600.00

**EXHIBIT E
MEDIAN INCOME LIMITS**

HOUSING PROGRAM INCOME LIMITS

PMSA BOSTON, MA FY2002 MEDIAN INCOME

\$74,200

HOUSEHOLD SIZE	1	2	3	4	5	6	7	8	Each Addition ¹
	Person	Person	Person	Person	Person	Person	Person	Person	Person
HWAP, WAP & LIHEAP									
200% of Poverty effective 04/01/02	\$17,720	\$23,880	\$30,040	\$36,200	\$42,360	\$48,520	\$54,680	\$60,840	
30% MEDIAN INCOME	\$15,600	\$17,800	\$20,050	\$22,250	\$24,050	\$25,800	\$27,600	\$29,400	see footnote 2
30% (HOME) effective 03/07/02 Extremely Low Income (CDBG) effective 01/31/02 Income Targeting Standard (Sec. 8) effective 01/31/02									
50% MEDIAN INCOME	\$25,900	\$29,700	\$33,400	\$37,100	\$40,050	\$43,050	\$46,000	\$48,850	see footnote 2
Very Low Income (HOME) effective 03/07/02 Low Income (CDBG) effective 01/31/02 Very Low Income (SEC. 8) effective 01/31/02									
60% MEDIAN INCOME-HOME	\$31,140	\$35,640	\$40,080	\$44,520	\$48,060	\$51,660	\$55,200	\$58,740	see footnote 2
60% (HOME) effective 03/07/02									
80% MEDIAN INCOME	\$40,800	\$46,650	\$52,500	\$58,300	\$63,000	\$67,650	\$72,300	\$77,000	see footnote 2
Low Income (HOME) effective 03/07/02 Low / Mod (CDBG) effective 01/31/02 Low / Mod (SEC. 8) effective 04/06/01									
110% MEDIAN INCOME-SAHTF	\$56,980	\$65,340	\$73,480	\$81,620	\$88,110	\$94,710	\$101,200	\$107,690	see footnote 2
Somerville Affordable Housing Trust Fund effective 01/31/02									
MHFA									
effective 03/06/03									
	1-2 persons:	\$85,200	3+ persons:	\$92,700					

Footnote 1: 9 person household is \$80,848; 10 person household is \$81,939. Max. income thereafter is \$81,939 regardless of size.

Footnote 2: 140% of 4 person household is a 9 person household; add 8% for each additional person thereafter; round to nearest \$50.

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