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NANTUCKET TOWN CLERK
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UPDATED MEETING POSTING

Original Posting Date 9/15/22
Original Posting Number T829
TOWN OF NANTUCKET
Pursuant to MGL Chapter 30A, § 18-25
All meeting notices and agenda must be filed and time stamped with the Town Clerk's Office and posted at least 48 hours prior to the meeting (excluding Saturdays, Sundays and Holidays)

Committee/Board/s	**AFFORDABLE HOUSING TRUST**
Day, Date, and Time	**TUESDAY, September 20, 2022 @ 12:30PM**
Location / Address	**REMOTE PARTICIPATION *VIA* ZOOM (*See Below*)** **THE MEETING WILL BE AIRED AT A LATER TIME ON THE TOWN'S GOVERNMENT TV YOUTUBE CHANNEL AT** **https://www.youtube.com/channel/UC-sgxA1fdoxteLNzRAUHIxA**
Signature of Chair or Authorized Person	**Hayley Cooke** **Housing/Real Estate Office Manager**
WARNING:	**IF THERE IS NO QUORUM OF MEMBERS PRESENT, OR IF MEETING POSTING IS NOT IN COMPLIANCE WITH THE OML STATUTE, NO MEETING MAY BE HELD!**

UPDATED AGENDA

Please list below the topics the chair reasonably anticipates will be discussed at the meeting

SEPTEMBER MEETING
AGENDA FOR 9-20-2022
(**Subject to change**)
www.nantucket-ma.gov

Please click on following link to join Zoom Meeting:

https://us06web.zoom.us/j/88615238340?pwd=d09KQkVKMGplT2lFV0xuMmxpY2kxUT09

Meeting ID: 886 1523 8340
Passcode: 943499

Purpose: To discuss business as noted below. Electronic copies of the complete text, plans, application, or other material relative to each agenda item are available per request by email to hcooke@nantucket-ma.gov.

Please email to request a paper copy and you will be provided a time to retrieve from the Housing Office located in Room 111 at 16 Broad Street between the hours of 8:30 AM and 4:30 PM on weekdays.

Trust Members: Brian Sullivan (Chairman), Reema Sherry (Vice Chair), Meg Browers, Shantaw Bloise-Murphy, Penny Dey, Dave Iverson, Brooke S. Mohr

Staff: Tucker Holland (Housing Director), Ken Beaugrand (Real Estate Director), Hayley Cooke (Housing & Real Estate Office Manager)

PLEASE LIST BELOW THE TOPICS THE CHAIR
REASONABLY ANTICIPATES WILL BE DISCUSSED AT THE MEETING

I. CONVENE in Open Session via Zoom

II. APPROVAL of Agenda

III. APPROVAL of Minutes

- Minutes from 9.13.22

IV. PUBLIC COMMENT for items not otherwise on the agenda

V. CCAP/CFAP – ACTION

- CFAP Application – Bell, 34 Chuck Hollow Rd.

VI. Nantucket Meadows Third Lottery – DISCUSSION & APPROVAL

VII. 135 + 137 Orange Street and 12 + 12R Bartlett Rd. RFPs - DISCUSSION

VIII. 14 Somerset Road – ACTION

- Acceptance of Deed, Settlement Statement and an Assignment and Assumption of Lease Agreement for the closing.

IX. Violet Place Acceleration– REVIEW & APPROVAL

Buydown of affordability and acceleration of construction of units in Phase 3 and Phase 4 located at 47 and 49 Beach Grass Road and 1, 2, 3, 4 and 5 Violet Place, Meadows II Workforce Housing Project;

Request for Approval and Execution of Memorandum of Understanding. Grant and Loan Agreement, and any other documents related thereto necessary to effectuate the transaction; and further to authorize the Chair or Vice.

Chair to execute the above-referenced documents on behalf of the Trust.

X. 7 Amelia Drive RFP – REVIEW & APPROVAL

XI. Possible Warrant Article: Year-Round Housing Restrictions – DISCUSSION

XII. Dr. Dickler Award – DISCUSSION

XIII. Monthly Communication Piece - DISCUSSION

XIV. Other Business

Upcoming Meetings:

- Regular AHT meeting: October 18, 2022 at 12:30pm (via Zoom).

XV. Board Comments

XVI. Executive Session, Pursuant to MGL C. 30A § 21(A)

- Purpose 6: To consider the purchase, exchange, lease or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body.

XVII. Adjourn

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Tuesday, September 13, 2022

Remote Meeting *via* Zoom – **12:30pm**

Trust Members: Brian Sullivan (Chair), Reema Sherry (Vice Chair), Brooke Mohr, Penny Dey, Meg Browers, Dave Iverson, Shantaw Bloise-Murphy

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ATTENDING MEMBERS: Brooke Mohr, Reema Sherry, Meg Browers, Dave Iverson, Penny Dey, Brian Sullivan

ABSENT: Shantaw Bloise-Murphy

STAFF IN ATTENDANCE: Tucker Holland (Housing Director); Hayley Cooke (Housing & Real Estate Office Manager); Vicki Marsh (Town Counsel)

Public Present on Zoom: Anne Kuszpa (Housing Nantucket), Elizabeth Blair (Housing Nantucket), Mary Mack, Billy Cassidy, Laura McCloskey

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I. Call Meeting to Order

Brian Sullivan called the meeting to order at 12:34pm & reads Public Participation Guidelines

I. APPROVAL of Agenda

Agenda is **AMENDED** to move items V and VI to the next meeting on September 20th.

Penny Dey moved to approve the agenda as amended. Reema Sherry seconded the motion.

ROLL CALL of those participating:

1. Reema Sherry Aye
2. Brooke Mohr Aye
3. Meg Browers Aye
4. Penny Dey Aye
5. Dave Iverson Aye
6. Brian Sullivan Aye

Agenda adopted by 6-0 vote.

II. APPROVAL of Minutes

- Minutes from 8.16.22 and 8.23.22

Dave Iverson moved to approve the agenda. Meg Browers seconded the motion.

ROLL CALL of those participating:

1. Reema Sherry	Aye
2. Brooke Mohr	Aye
3. Meg Browers	Aye
4. Penny Dey	Aye
5. Dave Iverson	Aye
6. Brian Sullivan	Aye

Motion adopted by 6-0 vote.

III. PUBLIC COMMENT for items not otherwise on the agenda

IV. CCAP/CFAP – ACTION

- CCAP Application – Delgado, 6 Essex Rd., #1
- CCAP Application – Thapa, 37 Beach Grass Rd.

Dave Iverson makes the motion to approve the Delgado CCAP Application at 6 Essex Rd. #1 for up to $15,000 pending final closing costs. Seconded by Reema Sherry.

ROLL CALL of those participating:

1. Reema Sherry	Aye
2. Brooke Mohr	Aye
3. Meg Browers	Aye
4. Penny Dey	Aye
5. Dave Iverson	Aye
6. Brian Sullivan	Aye

Motion adopted by 6-0 vote.

Brooke Mohr: [Regarding the Thapa CCAP Application]: I noticed they said they had not taken the First Time Homebuyer's class. It's on the application, so I assume it is a requirement. I want to be sure we are consistent with all applicant in terms of requirements.

Dave Iverson: Can we approve it with the condition that it's not released until they take the class?

Brian Sullivan: I think so. Going back – is it an actual requirement?

Tucker Carlson: One of the items says you must complete an approved buyer training course. I like Dave's suggestion.

Dave Iverson makes the motion to approve the Thapa CCAP Application at 37 Beach Grass Rd. for the up to $15,000 pending final closing costs, conditional upon the completion of the New

Home Owner's Class. Applicant must take class and provide proof to staff before receiving funds. Seconded by Penny Dey.

ROLL CALL of those participating:

1. Reema Sherry	Aye
2. Brooke Mohr	Aye
3. Meg Browers	Aye
4. Penny Dey	Aye
5. Dave Iverson	Aye
6. Brian Sullivan	Aye

Motion by 6-0 vote.

Brian Sullivan: I just have one question on that application. For the property, what does that unit qualify for as far has Richmond's units?

Anne Kuszpa: It's a 175% AMI unit.

V. Violet Place Acceleration– REVIEW & APPROVAL

Moved to next week.

VI. 7 Amelia Drive RFP – REVIEW & APPROVAL

Moved to next week.

VII. 135 + 137 Orange Street RFP & 12 + 12R Bartlett Rd. RFP – INITIAL DISCUSSION

135 + 137 Orange St.:

Tucker Holland: Looking for the Board's thoughts about what we want to achieve here. A few things to point out at the start of the discussion: we think we can not only address housing needs, but also a transportation role – an opportunity for a turnout (and possible bus shelter) for the Wave. It presently stops in the middle of Orange St. right near our location, and it completely stops traffic. You will see something in that regard included in the draft. Ken and I met with the Executive Director of the Landbank recently and wanted to explore the Board's thoughts on whether it might a reasonable idea to support a small residence on the 141 site, which would serve year-round housing for the Landbank. This is something they would create – they have an opportunity to move a very small cottage to this location. The intent is still to maintain a decent sized greenspace between this house and the housing development that we are pursuing [at 135/137].

The overall objective for the property [135/137] is in CMI Zoning and can allow up to 32 units across the two properties and we are looking to get some attractive proposals for creating rental year-round housing here. We are bringing both this and the Bartlett Rd. RFP forward at the same time. Potentially attracting a greater pool of interested proposers.

Brian Sullivan: I open the floor to Board Members for questions and thoughts.

Penney Dey: I thought that piece that the Landbank purchases was supposed to stay as open space?

Tucker Holland: That was the original intent. We had approached them as a park opportunity for them and an easement for us. This is an opportunity that has come up on their radar recently. Given the nature of what we are doing next door, this is something they wanted to get early feedback on.

Reema Sherry: Are they allowed to do that? Within their mission, can they turn their piece into a residential piece and not just a park? Also, we had talked briefly about having elderly units possibly and that is not part of it [135/137 RFP] and got lost in the shuffle. In the scoring, can we add a higher score for one or more ADA units? I think the developer should include at least one accessible unit, that is a need here.

Brian Sullivan: Thank you Reema, I agree. In terms of the Landbank aspect. In the vacuum of an overall plan or proposal, I also thought it was an open space park going into it. I understand the idea, but if it were any property they could do this to, they have a vast number of options in comparison to us at the moment.

Vicki Marsh: I can look at the Deed that they used to acquire this property. If they acquired if for open space purposes, then this property is Article 97 land and may not be suitable for residential site. I'll look at the Deed and the wording as well as their act to see if allows them to switch Article 97 land to residential. There are a couple of potential issues there that we need to make sure of.

Brooke Mohr: This was a new opportunity for co-acquisition. The first time. I think the Landbank stretched themselves to do this for us, so I am inclined to be open to a conversation about what they are thinking about and how it fits in with what we do.

Penny Dey: I want to be thoughtful that there is some outside space for the people that are going to be living at this property.

Dave Iverson: I think we should continue a relationship with the Landbank. I'd hate to foul any opportunities down the road. But also, open space is important, too.

Brian Sullivan: Have we vetted the condo association about any access off of those private ways that the property abuts?

Tucker Holland: They are not interested in having an access into the private ways. The one thing they would like to include is they want to mutually address parking. They would like to see a fence of some sort in to discourage people in both directions to park in each other's lots.

Brian Sullivan: Is it outlined in the RFP?

Tucker Holland: It is something we would include.

Reema Sherry: The GIS pages that you included show the outlines of the old buildings that are not on there anymore. If those pages were switched out for the aerial photographs with lot lines, it would be less confusing if someone did not know and think they had to demo buildings.

Tucker Holland: We will make that change. We are also following up further with the coastal resiliency folks to make sure to incorporate their standards.

Vicki Marsh: I wanted to clarify a few things. The percentage of affordability - it will just be 80% of less? You're not looking for any other specific AMI preference?

Tucker Holland: Well, it needs to qualify on SHI list. It's a question – how prescriptive can we be in what we include here? Without triggering 30B complications.

Vicki Marsh: You can make it as broad as you want, as long as we get SHI compliance with DHCD. If you want to limit it to 80% or less and then when you negotiate with these parties you could try to get other income levels.

Tucker Holland: We don't want it totally be 80% or less.
Brian Sullivan: I think we should be somewhat prescriptive. At least 25% units 80% AMI or less, with the rest up to 240% AMI. I'm confused about the workforce housing line – are they all year-

round units?

Tucker Holland: Yes, 100% of the units have to be year-round.

Brooke Mohr: Do we want to prescribe any lower income units? Tucker, do you remember on the Tacoma Green RFP if the steps were laid out?

Tucker Holland: It was not prescribed other than they all had to be SHI eligible and a mix of incomes.

Brooke Mohr: Can we give a higher score if they include some units at 60% or below?

Brian Sullivan: This is the only project or property we own that someone could potentially go for LIHTC financing with 60% units. So, if a developer chose to come to us with 20 or more units at 60% they can apply for financing. Do we need to note that somewhere to encourage it?

Dave Iverson: Do we start to take possible applicants out of the mix when we prescribe too heavily? Will that scare a bunch of developers away and is that a good or bad thing?

Brian Sullivan: Potentially, yes. Probably bad because this is a beginning of RFP's at this size, so we don't know who all the players are.

Dave Iverson: That's my fear. I would love to get many units at 60%, but I fear we will scare people off. Maybe we can negotiate when we get hooks set.

Brooke Mohr: I agree, I was just raising the question for informational purposes.

<u>12 + 12R Bartlett Rd.:</u>
Brooke Mohr: Is there an estimated unit count?
Tucker: It's sort of contained in the evaluation spreadsheet. Up to one dozen.
Reema Sherry: Again, possibly a bonus of one or more ADA units.
Tucker Holland: Yes, I should have brought this up when you mentioned it before. They are going to be required to have a certain number of ADA units in order to on SHI list, but I will confirm the exact number for you. It is probably more than one.

Brian Sullivan: Any other commentary?

Conversation goes back to 135 + 137 Orange St.

Tucker Holland: I wanted to note that we've had Laura McCloskey join the meeting. She's representing the neighbors at the Orange St. condominium association. Laura, did you want to add anything?

Laura McCloskey: Parking mid-island is always an issue. We do end up towing people, people think we are a community lot, which we are not. We think a fence would be a deterrent.

Meg Browers: When I read through the proposal – you wanted this to be a walkable, community involved, workforce housing. So, you won't be able to put a fence around the whole thing, you'll want those people to be able to walk out and go to the pharmacy, grocery store, etc. I just question the message it sends to put up a big giant fence on that side to keep them out of the condo association's lot. To me, this fence sends a negative message. Rather than using signage for parking or messaging to the tenants that they have their own parking. To me that feels jarring, and that is coming from someone who is working in the condo association lot.

Brian Sullivan: My only concern about it [the fence] going into the RFP is the HDC and creating and RFP that has a requirement that another Board may or may not approve, I caution that. I don't want it to become a roadblock.

Dave Iverson: I appreciate what Meg is saying. I think with proper landscaping and a footpath going through the Landbank, a break can be created, and it can still be appealing. I agree, you won't want a big fence, but we can soften it.

Brian Sullivan: We understand that the condo association is concerned about parking, and the use – are there way to discourage that? Whether they create signage on their property, or we offer signage or landscape. The conversation and intent has been made and can be conveyed to anybody that applies for the RFP. But making it a requirement of the RFP could be limiting.

Tucker Holland: We will include something in the next draft that gets to the intent.

Brian Sullivan: Tucker, can you define the process and rollout for us to publish these RFPs so the public understands our goals for timing?

Tucker Holland: We've gotten feedback today, we have a draft we will incorporate that feedback into, Vicki will provide her own feedback. We will send it to the Procurement department to get their input. We would expect to come back to the Board with something that is at the next level for further or potentially final impute. And subsequent the Board being happy with it, we would then have the Procurement Department issue the RFP though the COMBIS public process.

Vicki Marsh: Once we have a final RFP that you've approved, we would have you authorize us to publish it. A notice goes in the central registrar, there are notices in the newspaper about it, if you wanted to put it into any other publications, you can do that as well. We're looking for a little way off – if we can get this done in the next few weeks, that would behoove us. The idea is to get it done sooner rather than later. I know we might also be interested in what access we have in those roadways. I'm going to determine what access is any is available.

Conversation goes back to Bartlett Rd. RFP.

Tucker Holland: At the Bartlett Rd. location we are working on the availability of access to Thirty Acres Lane.

Ken Beaugrand: That's a real issue. I'm starting to talk to the people involved with homeowner's association.

Reema Sherry: Is there any mention of family friendly aspect to the Bartlett project, given the proximity to the schools? Maybe a higher score for more 2-3 bedrooms? Something to consider.

Brian Sullivan: I was going to bring that up too. Is the ground cover ratio on that property more significant per unit than others? Meaning, could the units be bigger? Within the same unit count? If you get more sq. footage, is it more family friendly?

Tucker Holland: We can prioritize that in the evaluation criteria.

Brian Sullivan: Does anyone else have thoughts or comments on that?

Brooke Mohr: My mind goes in two directions. More family units, with small units. Or larger families in bigger units. I could argue either side of it.

Penny Dey: Are we keeping track of size of units overall somewhere?

Tucker Holland: We can pull that information together. It would probably make sense for this discussion to have that going forward.

Dave Iverson: Do we have a sense of the demand as far as size or families or single units?

Anne Kuszpa: The two bedroom is the most versatile unit and there is a lot of demand for it, because you can fit a variety of household sizes in it, depending on the gender of the children. I know 10% of units are required to be 3 bedrooms.

Dave Iverson: It sounds like 2 bedrooms are a more functional size. Maybe we can attract families with other things – like swing sets, etc.

Brooke Mohr: It would be good to note, to Penny's point, what is the bedroom count, number of units and bedroom size, we have coming up in the pipeline? Is there a need to push in one direction or the other?

Vicki Marsh: We need to revisit the bylaw regarding number of units.

Tucker Holland: It's 57 per 60,000 sq. ft.

Brian Sullivan: What I'm confused about is, neither 135/137 Orange St. is 60,000 sq. feet?

Tucker Holland: Combined, they meet the minimum lot size. For our next round, let us bring back the table Penny was talking about. That will help facilitate the discussion.

VIII. Other Business

Upcoming Meetings:

- Regular AHT meeting: September 20, 2022 at 12:30pm (via Zoom).

IX. Board Comments

X. Executive Session, Pursuant to MGL C. 30A § 21(A)

- Purpose 6: To consider the purchase, exchange, lease or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body.

XI. **Penny Dey** makes a motion to adjourn the regular meeting and go into Executive Session. Seconded by Reema Sherry.
ROLL CALL of those participating:

1. Reema Sherry	Aye
2. Brooke Mohr	Aye
3. Meg Browers	Aye
4. Penny Dey	Aye
5. Dave Iverson	Aye
6. Brian Sullivan	Aye

Motion by 6-0 vote.

Meeting adjourned 1:35pm.

RFP EDITS – 9.13.22 AHT Special Meeting Notes

<u>135 & 137 Orange Street:</u>

- Include a higher score for additional ADA unit (may not need to add to score sheet, as it is a requirement. Tucker to report out on number of ADA units required).
- Swap out the GIS images for the aerial views, so that the old building structures are not shown, as the buildings are no longer there.
- Incorporate goals and feedback regarding Coastal Resiliency and Energy Efficiency
- Include specification that other than the 25% of units that must be 80% AMI or less, the rest of the units should be 240% AMI or less.
- Include information on intent: regarding putting up signage or fencing to distinguish parking for the units vs. parking of the nearby condo association.
- Incorporate information about access to abutting roadways.

<u>12 & 12R Bartlett Rd:</u>

- Include a higher score for additional ADA unit (may not need to add to score sheet, as it is a requirement. Tucker to report out on number of ADA units required).
- Incorporate goals and feedback regarding Coastal Resiliency and Energy Efficiency
- Incorporate information about access to abutting roadways (re: Thirty Acres Lane and any other abutting roads).
- Give a higher score to designs that incorporate more 2-3 bedroom units.
- Present a table on the Zoning Bylaws and number of possible units/bedrooms for this property given the square footage and lots.

ACCEPTANCE OF DEED

On this _____ day of September, 2022, we, the duly authorized Trustees of the Town of Nantucket Affordable Housing Trust Fund, acting pursuant to provisions of G.L. c. 44, §55C, under a Declaration of Trust dated February 8, 2010 and recorded with the Nantucket County Registry of Deeds in Book 1221 Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Deeds in Book 1452, Page 272, hereby accept the foregoing deed from Marianne Stanton and James Ritchie Giffin, Trustees of Somerset Nominee Trust u/d/t dated December 12, 2002, recorded with said Deeds in Book 800, Page 90 to property located at 14 Somerset Road, Nantucket, Massachusetts.

Town of Nantucket Affordable Housing Trust Fund
By its Board of Trustees

By: _________________________________
, Trustee

COMMONWEALTH OF MASSACHUSETTS

Nantucket ss.

On this _______ day of September, 2022 before me, the undersigned notary public, personally appeared ____, Trustee of the Town of Nantucket Affordable Housing Trust Fund, proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed on the preceding document, and acknowledged to me that he/she signed it voluntarily for its stated purpose as Trustee of the Town of Nantucket Affordable Housing Trust Fund.

____
Notary Public
My Commission Expires:

830957/NANT 19710/0016

DEED

We, MARIANNE STANTON and JAMES RITCHIE GIFFIN, as the current Trustees of the SOMERSET NOMINEE TRUST under Declaration of Trust dated December 12, 2002, recorded with Nantucket Deeds in Book 800, Page 90, for consideration paid in the amount of $1,795,000.00, grant to THE TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND pursuant to M.G.L. Ch. 44, § 55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket Deeds in Book 1221, Page 20, as affected by a First Amendment to Declaration of Trust dated September 25, 2014, recorded with Nantucket Deeds in Book 1452, Page 272, with a mailing address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554, with QUITCLAIM COVENANTS,

That certain parcel of land situated in Nantucket, Nantucket County, Massachusetts, together with the buildings located thereon, now known and numbered as 14 Somerset Lane, bounded and described as follows:

NORTHERLY	by	land now or formerly of Preservation Institute Nantucket, ninety-three and 02/100 (93.02) feet;
EASTERLY		two hundred sixteen and 39/100 (216.39) feet,
SOUTHERLY		one hundred seventy and 56/100 (170.56) feet, and
SOUTHWESTERLY		on a curved line with a radius of fifteen and 00/100 (15.00) feet and a length of twenty-nine and 89/100 (29.89) feet, by Lot 5 remainder of Lots 2 and 3 on plan recorded in Plan Book 19, Page 144; and
WESTERLY	by	Somerset Road, two hundred twenty-three and 75/100 (223.75) feet.

Said land is shown as Lot 4 on a plan prepared by Nantucket Surveyors, LLC dated December 6, 2010, and recorded with Nantucket Deeds as Plan No. 2022-28. Said land contains 31,717 square feet, more or less, according to said plan.

Said land is conveyed subject to the following matters:

(a) Sewer Easement dated September 8, 2004, recorded with Nantucket Deeds in Book 911, Page 258.

(b) Real estate taxes assessed by the Town of Nantucket for the fiscal year 2023, commencing on July 1, 2022.

(c) A restriction, hereby imposed by the Grantor, that:

(i) All access to the property shall be to and from Somerset Road only;

(ii) A restriction that there shall be no building and no parking restriction within twenty (20) feet from the southerly border of the Premises; and

(iii) There shall be landscape screening from Bittersweet Lane to the restricted areas of the Premises.

For title, see Deed recorded with Nantucket Deeds in Book 800, Page 95.

The Grantor hereby certifies that no beneficiary, nor a spouse, civil union partner, ex-spouse or ex-civil union partner of a beneficiary of Somerset Nominee Trust, occupies or intends to occupy the land as a principal residence or is entitled to claim the benefit of an existing estate of homestead in the property by court order or otherwise.

We hereby certify that we are the sole present Trustees of Somerset Nominee Trust, which is in full force and effect, has not been amended nor revoked, and has not terminated; and that we have been duly authorized to execute and deliver this instrument according to its terms and content by the holders of all of the beneficial interest in said Trust, none of the holders being under any disability to act, and none of the holders being a corporation which is disposing of all or substantially all of its property situated in Massachusetts.

Executed and sealed on _____________, 2022.

____
Marianne Stanton, Trustee of
Somerset Nominee Trust

____
James Ritchie Giffin, Trustee
of Somerset Nominee Trust

COMMONWEALTH OF MASSACHUSETTS

Nantucket, ss.

On this ____ day of June, 2022, before me, the undersigned notary public, personally appeared Marianne Stanton and James Ritchie Giffin, as Trustees of Somerset Nominee Trust, proved to me through satisfactory evidence of identification, which was ____, to be the persons whose names are signed on the preceding or attached document, and acknowledged to me that they signed voluntarily, as their free act and deed, for its stated purpose and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of their knowledge and belief.

____
Notary Public

My commission expires:

<u>ASSIGNMENT/ASSUMPTION OF LEASE AND DEPOSITS</u>

We, MARIANNE GIFFIN STANTON and JAMES RITCHIE GIFFIN, as Trustees of SOMERSET NOMINEE TRUST under Declaration of Trust dated December 12, 2002, recorded with Nantucket Deeds in Book 800, Page 90, as amended of record (the "Seller"), for consideration paid, the receipt and sufficiency of which is hereby acknowledged, hereby assigns to the TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND dated February 8, 2010, recorded with Nantucket Deeds in Book 1221, Page 20, as amended of record, (the "Buyer"), the Lease of the property known and numbered as 14 Somerset Road, Nantucket, Massachusetts, attached hereto as Exhibit A, together with all security deposits and advance rent payments paid to the Seller under said Lease.

Seller hereby represents and warrants that the full amount of all monies paid to Seller under the Lease, as of this date, has been paid over to the Buyer. Seller hereby represents and warrants that it is not in violation of any term of the Lease.

In consideration of said assignment, the Buyer hereby assumes all rights and obligations set forth in said Lease and all rights and obligations relating to said security deposits and advance rent payments, and indemnifies the Seller from any and all loss, claims, costs, or damage in connection therewith not resulting from the actions of Seller or Seller's agents.

Executed and sealed this ____ day of _________, 2022.

<u>SELLER</u>:

____
Marianne Giffin Stanton, Trustee of
Somerset Nominee Trust

____
James Ritchie Giffin, Trustee of
Somerset Nominee Trust

<u>BUYER</u>:

TOWN OF NANTUCKET AFFORDABLE
HOUSING TRUST FUND
By:

____

Statement of Closing September 23, 2022

Somerset Nominee Trust to Town of Nantucket

Premises at 14 Somerset Road (portion), Nantucket, Massachusetts

Sale price per agreement		$1,795,000.00
Rental adjustment due buyer ($3,800.00 x 8/30)		- 1,013.33
Oil tank replacement credit to buyer		- 5,010.00
Repair credit to buyer		- 50,000.00
Balance due seller from buyer		$1,738,976.67
Deductions in seller's proceeds		
Mortgage payoff to Santander	381,993.55	
Registry of Deeds, recording fees	105.00	
Reade, Gullicksen, Hanley & Gifford, LLP, attorney's fees		
Atlantic East Real Estate, smoke detector compliance cert.	100.00	
Atlantic East Real Estate, broker's commission	69,800.00	
Total deductions		- 451,998.55
Balance		$1,286,978.12

* * * * * * * * * *

Refund tenant security deposit - POC

SELLER:

____

Marianne Giffin Stanton,
Trustee of Somerset
Nominee Trust

____

James Ritchie Giffin,
Trustee of Somerset

BUYER:

TOWN OF NANTUCKET AFFORDABLE
HOUSING TRUST FUND
BY:

____

MEMORANDUM OF UNDERSTANDING
MEADOWS II – PHASE 3 AND PHASE 4

THIS MEMORANDUM OF UNDERSTANDING (this "MOU"), or this "Agreement") is dated this _____ day of September, 2022, between the Town of Nantucket Affordable Housing Trust Fund, a Massachusetts municipal housing trust created pursuant to G.L. c.44, §55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Deeds in Book 1452, Page 271, acting by and through its Board of Trustees, having an address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554 (the "Trust"), the Town of Nantucket (the "Town"), a municipal corporation organized under the laws of the Commonwealth of Massachusetts, with a usual place of business at the Town and County Building 16 Broad Street, Nantucket, Massachusetts 02554, acting by and through its duly elected Select Board (the "Select Board"), Richmond Great Point Development, LLC (the "Developer"), a Delaware limited liability company, and Richmond Meadows Two P3P4, LLC ("Richmond"), a Massachusetts limited liability company, each having its address C/O The Richmond Company, Inc., 23 Concord Street, Wilmington, Massachusetts 01887, (collectively, the "Parties"). The Town joins in this MOU to evidence its agreement to execute the LIP / LAU Application, the amended Regulatory Agreement, and all other documents incidental and related thereto as may be necessary to obtain certification of the Units on the SHI. Except as otherwise herein defined, capitalized terms used throughout shall have the same meaning given to them in the Grant and Loan Agreement of even date herewith.

RECITALS

WHEREAS, Developer is the developer of a certain project in the Town and County of Nantucket known as the "Meadows II" Workforce Rental Housing Development Project (the "Project") consisting of no more than a total of two hundred twenty-five (225) units, as permitted by Special Permit approved February 23, 2017 and registered with the Nantucket Registry District of the Land Court as Document No. 155492; and

WHEREAS, pursuant to that certain Local Initiative Program Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") dated May 3, 2019 and registered with the Nantucket Registry District of the Land Court as Document No. 161871 and filed with Certificate of Title No. 24,872, the Developer is required to, among other things, construct and make available a total of fifty-seven (57) Units (as that term is defined in the Regulatory Agreement) for rental to households whose annual income does not exceed eighty (80%) percent of the Area Median Income ("AMI") (adjusted for family size) as determined by the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the Regulatory Agreement was first amended by a certain First Amendment to Local Initiative Program Regulatory Agreement and Declaration of Restrictive Covenants for "Meadows II" Workforce Rental Housing Development Project dated December 14, 2021 and registered with the Nantucket Registry District of the Land Court as Document No. 173044 and filed with Certificate of Title No. 28,341; whereby the Town, the Trust, and the Developer agreed to modify the terms of the Regulatory Agreement to, among other things, restrict an additional six (6) market-rate housing units to be made available to households whose annual income does not exceed one hundred (100%) percent of the AMI, and to reduce the affordability levels of six (6) Units originally available for rental to households whose annual income does not exceed eighty (80%) percent of the AMI to households whose annual income does not exceed fifty (50%) percent of the AMI; and

WHEREAS, as first amended, the Regulatory Agreement requires the construction and rental of **six (6) Units** to households whose annual income does not exceed **fifty (50%) percent** of the AMI, **fifty-one (51) Units** to households whose annual income does not exceed **eighty (80%) percent** of the AMI, and **six (6) units** to households whose annual income does not exceed **one hundred (100%) percent** of the AMI; and

WHEREAS, as first amended, the Regulatory Agreement does not otherwise restrict the rental of **one hundred sixty-two (162) units** based upon household income which may be made available at market-rates; and

WHEREAS, as of the date of this MOU the Developer has constructed and obtained occupancy certificates for one hundred twenty-two (122) housing units at the Projects known as the "Meadows II – Phase I" and "Meadows II – Phase 2A"; and

WHEREAS, the Developer has proposed to construct two subsequent phases of the Project containing an additional forty-eight (48) units on land located at 47 and 49 Beach Grass Road and 1, 2, 3, 4, and 5 Violet Place, Nantucket, Massachusetts (collectively, the "Property"), being a portion of Lot 962 and all of Lot 966 on Land Court Plan No. 16514-118 filed with Nantucket Registry District of the Land Court and more particularly described on Certificate of Title No. 24,872, to be known as Phase 3 and Phase 4 of the "Meadows II Project," respectively, as shown on the plan attached hereto as Exhibit A; and

WHEREAS, subject to Section 9 of the Regulatory Agreement, the Developer proposes to transfer, inter alia, the Property and rights to construct Phase 3 and Phase 4 of the Project to Richmond, and Richmond shall thereafter serve as the successor developer to Developer for purposes of owning, constructing, and operating Phase 3 and Phase 4 of the Project; and

WHEREAS, Richmond by and through the Developer has proposed to further modify certain aspects of the Project and the Regulatory Agreement to reduce the affordability levels for six (6) units of rental housing available to households earning from less than eighty percent (80%) of the AMI to households earning less than seventy (70%)

percent of the AMI, and to convert six (6) units of market rate housing to units for rental to households earning less than one hundred ten (110%) percent of the AMI, and to convert an additional six (6) units of market rate housing to units for rental to households earning less than one hundred twenty(120%) percent of the AMI; and

WHEREAS, to facilitate the acceleration of construction of Phase 3 and Phase 4 and the buy-down of the affordability levels of some of the units in the Project, Richmond has requested a grant (the "Grant") from the Trust in the amount of Two Million Three Hundred Eighty Thousand and 00/100 Dollars ($2,380,000.00) and a loan (the "Loan") in the amount of Three Million Five Hundred Seventy Thousand and 00/100 Dollars ($3,570,000.00) for the construction of the Project; and

WHEREAS, the Units constructed in Phase 3 and Phase 4 will be subject to a perpetual affordable housing restriction held by the Town of Nantucket and the Department of Housing and Community Development ("DHCD") and will be eligible for certification to the Town of Nantucket's subsidized housing inventory (SHI) on an expedited basis as a result of the Grant and the Loan; and

WHEREAS, the vote of Article 10 of the 2022 Annual Town Meeting authorized the appropriation of funds for the Trust to develop affordable housing units in the Town, including the costs of construction of affordable housing units, subject to certain restrictions; and

WHEREAS, the Trust voted to award the Loan in the total amount of Five Million Nine Hundred Fifty Thousand Dollars ($5,950,000.00) to Richmond for the accelerated construction of Phase 3 and Phase 4 and the buy-down of affordability levels of a portion of the housing units in Phase 3 and Phase 4 of the Project, subject to Richmond's grant of an affordable housing restriction on the Property (or a modification thereto, as necessary) to be held by the Town of Nantucket and DHCD, and subject to the Trust and Richmond entering into a mutually agreeable Grant and Loan Agreement, Promissory Note, and Mortgage and Security Agreement~~s~~ perfecting the Trust's lien on the Property securing repayment of the Loan (among other documents, collectively the "Loan Documents").

NOW THEREFORE, in consideration of the foregoing and in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Acquisition of the Property. Within a reasonable time of the execution of this MOU and prior to the Trust's obligation to fund either the Grant or the Loan as set forth in the Grant and Loan Agreement, the Developer shall grant and convey the fee title to Phase 4, being a portion of the Property to Richmond by quitclaim deed, conveying good and clear record and marketable title to Phase 4 and enter into a 99-Year Ground Lease for Phase 3, the Deed and Ground Lease to be in forms approved by the Trust. The Ground Lease shall be evidenced by a Notice of Lease on the Phase 3 portion of the Property filed with the Nantucket Registry District of the Land Court. Prior to the advance of the Loan

Funds Richmond shall undertake a title examination of the Property and deliver a Title Insurance Commitment for the Mortgage and Security Agreement on Phase 3 and Phase 4 to the Trust for its review and approval, containing no other monetary liens or encumbrances on the Property except for the Mortgages on the Property to Natick South, LLC in the original principal amount of Thirty Million and 00/100 ($30,000,000.00) Dollars filed with the Nantucket Registry District of the Land Court as Document No. 157520 and to Eastern Bank in the original principal amount of Twenty-Five Million and 00/100 ($25,000,000.00) Dollars filed with the Nantucket Registry District of the Land Court as Document No. 161875, the lien of which mortgages shall be subordinated to the Ground Lease. In the event that there are any other monetary encumbrances or liens filed against the Property, then Richmond shall discharge them prior to the Trust's payment of the Loan Funds to Richmond. Upon approval of the Title Insurance Commitments=, the Trust shall pay the Loan Funds according to the Grant and Loan Agreement to Richmond who shall record the Mortgage and Security Agreement for Phase 3 and Phase 4 with the Nantucket Registry District of the Land Court and shall deliver a Lender's Title Insurance Policy to the Trust in the insured amount of $5,950,000.00.

2. Grant and Loan Funds. The Trust shall deliver the Loan Funds to Richmond pursuant to the Grant and Loan Agreement. In mutual consideration of the Trust's grant of the Loan Funds, and Richmond's agreement to buy-down the affordability levels of additional units of housing in Phase 3 and in Phase 4 as contemplated in this MOU, Richmond and the Town hereby agree to cooperate to obtain a mutually agreeable modification to the Regulatory Agreement with DHCD on terms acceptable to DHCD and the counterparties hereto, and to register such modification with the Nantucket Registry District of the Land Court. Six (6) of the units shall be rented to households whose annual income does not exceed seventy percent (70%) of the AMI as determined by HUD, six (6) of the units shall be rented to households whose annual income does not exceed eighty percent (80%) of the AMI, six (6) of the units shall be rented to households whose annual income does not exceed one hundred ten percent (110%) of the AMI, and six (6) of the units shall be rented to households whose annual income does not exceed one hundred twenty percent (120%) of the AMI. There shall be no income restrictions on the remaining twenty-four (24) units which may be made available for rental at prevailing market rates. All of the units in the Project shall be included on the Town's Subsidized Housing Inventory (SHI).

3. Loan Funds. Richmond shall execute a Promissory Note to be held by the Trust in the amount of $5,950,000.00 (the "Loan Funds"). A portion of the Loan Funds, in the amount of $2,380,000.00 shall convert to a grant and shall be credited against the balance of the Loan Funds upon the conditions in Section 5 below having been satisfied. Richmond agrees to make payments of principal and interest at such times and at the rate provided for in the Promissory Note. Richmond agrees that as security for the loan and the performance of its obligations, it shall grant to the Trust a Mortgage and Security Agreement on Phase 3 and Phase 4 , subject to the limitations and requirements that the Trust subordinate the aforementioned encumbrance~~s~~ to the Mortgages of Natick South, LLC and Eastern Bank as provided in the Grant and Loan Agreement and in the Title

Insurance Commitment.

4. Construction of Units. Richmond agrees to use diligent efforts with the construction of Phase 3 and Phase 4 of the Project and shall submit any applications or requests for modifications and seek approval of its plans and specifications from the Nantucket Historic District Commission or the Planning Board as may be needed without undue delay. Richmond shall construct 2 buildings containing 8 units in Phase 3 and 3 buildings containing 32 units in Phase 4 as shown on said Plan attached as Exhibit A, Richmond shall cause the Project to be constructed in a good and workmanlike manner with good engineering and construction practices in accordance with the approved plans and specifications and in accordance with all applicable laws, by-laws, codes, and regulations. Richmond shall use diligent and best efforts to construct the units and to obtain permanent occupancy certificates therefor within eighteen (18) months of the date of the disbursement of the Grant and Loan Funds.

5. LAU Application. In order for the Units in Phase 3 and Phase 4 to be eligible for certification for the Town's "Safe Harbor" for compliance with its approved Housing Production Plan pursuant to 760 CMR 56.03(4)(f), Richmond, the Developer, and the Town will use their best efforts to jointly prepare the Local Action Unit application to be filed with DHCD this month and mutually agree to meet any additional requirements of DHCD for the forty-eight (48) units to be eligible to be counted pursuant to the provisions for counting units under 760 CMR 56.03(2) such that the municipality (i.e., the Town) may request that DHCD certify its compliance with its approved Housing Production Plan in an amount equal to its 0.50% production goal for the calendar year 2022, and so that the Units are so eligible prior to December 14, 2022. In order for the forty-eight (48) units to be eligible for certification, Richmond agrees to deliver copies of signed building permits for these units to the Town and DHCD for the Town's request for certification promptly as they are available with the last building permits being delivered no later than December 7, 2022. Richmond also agrees to promptly prepare the necessary fair housing marketing plan and oversee the lottery for the tenant selection as required by DHCD.

6. Management of the Property. Upon completion of the construction of the Project and the commencement of the rental of the Units, Developer and/or affiliates thereof agrees to manage the Project including (but without implied limitation) all maintenance and repairs to the Project. Additionally, Developer and / or affiliates thereof agrees to oversee any reporting requirements for DHCD through staff of its employ or pursuant to a third-party contract with a housing consultant, at its choice. Richmond agrees to comply with any reasonable DHCD requests as to the management of the Property and provide any documentation requested by DHCD as to a management contract on the Property, which is customarily requested of like parties.

7. Notices. All notices required or permitted to be given hereunder shall be in writing and delivered by facsimile, by hand or mailed, postage prepaid, by registered or certified mail, or by overnight express delivery with receipt required, in the case of the Trust to:

In the case of the Trust or the Town:

The Town of Nantucket Affordable Housing Trust Fund
2 Fairgrounds Road
Nantucket, MA 0255

Town of Nantucket Select Board
Attn: Jason Bridges, Chair
Town & County Building
16 Broad Street
Nantucket, MA 02554

With a copy to: Tucker Holland
Municipal Housing Director
Town & County Building
16 Broad Street
Nantucket, MA 02554

And another copy to:

Vicki S. Marsh, Esq.
KP Law, P.C.
101 Arch Street
Boston, MA 02110

In the case of Richmond or Developer:

Richmond Meadows TwoP3P4, LLC
23 Concord Street
Wilmington, MA 0188
Attn: Philip Pastan, Manager

Richmond Great Point Development, LLC
23 Concord Street
Wilmington, MA 01887
Attn: Philip Pastan, its Manager

With a copy to:

Andrew D. Burek, Esq.
The Richmond Company, Inc.
23 Concord Street
Wilmington, MA 01887

Or in the case of either party to such other address as shall be designated by written notice given to the other party. Any such notice shall be deemed given when so delivered by hand or, if so mailed, when received by the party to whom it is addressed, or if sent by facsimile, on the same business day as sent.

8. Compliance with Special Permits for Richmond Projects

Richmond obtained the following permits and approvals (each as amended or modified, and collectively the "Workforce Housing Permits and Approvals") from the Planning Board of the Town of Nantucket for the Richmond Development project:

(A) Special Permit Decision with Major Site Plan Review concerning the "Meadows II" Workforce Rental Housing Development Project, dated February 23, 2017, filed with the Nantucket Registry District of the Land Court as Document No. 155492;

(B) Approval of a Definitive Subdivision Plan (see Planning Board File # 8013) dated January 26, 2017;

(C) Special Permit Decision with Major Site Plan Review concerning the "Sandpiper Place I (South) Workforce Homeownership Development Project dated February 16, 2017 filed with said Registry District of the Land Court as Document No. 155431;

(D) Approval of a Definitive Subdivision Plan (see Planning Board File # 8024) dated January 26, 2017;

(E) Special Permit Decision with Major Site Plan Review concerning the "Sandpiper Place II" (North) Workforce Homeownership Development Project dated February 17, 2017, filed with said Registry District of the Land Court as Document No. 155432; and

(F) Approval of a Definitive Subdivision Plan (see Planning Board File # 8025) dated January 26, 2017.

In further consideration for the Trust's payment of the Grant and Loan Funds to Richmond, Richmond agrees to continue to comply with the Special Permits and Approvals of Subdivision Plans as they relate to the completion of the landscaping, installation of any bike racks, common areas, park or playground, or other improvements to the aesthetic appearance of the Project and to complete, construct and plant the landscaping and other improvements as the applicable portions of the Project are completed and as weather permits. Richmond agrees to complete the landscaping for the Richmond Development Project as were approved in connection with the Workforce Housing Permits and Approvals.

9. Miscellaneous.

(A) This Agreement contains the entire agreement between the parties and there are no other agreements or understandings between the parties regarding the subject matter of this Agreement, except as herein contemplated. If any portion of this Agreement is declared to be illegal, unenforceable or void, then all parties to this Agreement shall be relieved of all obligations under that portion; provided, however, that the remainder of this Agreement shall be enforced to the fullest extent permitted by law. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions thereof. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. The recitals to this Agreement are incorporated herein.

(B) Richmond may not assign or transfer all or any portion of the benefits or obligations of this Agreement without the prior written consent of the Trust.

[Signature page(s) to follow]

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day referenced above.

TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND By its Board of Trustees	RICHMOND MEADOWS TWO P3P4, LLC
By: __________________________	By: _________________________________ Name: Philip Pastan, Manager
TOWN OF NANTUCKET By its Select Board	RICHMOND GREAT POINT DEVELOPMENT, LLC
_________________________________ Jason Bridges, Chair	By: _________________________________ Name: Philip Pastan, Manager

TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND

GRANT AND LOAN AGREEMENT FOR

Richmond Meadows Two P3P4, LLC

This GRANT AND LOAN AGREEMENT (the "Agreement") is made on this ___ day of September, 2022 (the "Effective Date"), by and between the Town of Nantucket Affordable Housing Trust Fund, a municipal affordable housing trust created pursuant to G.L. c. 44, §55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Deeds in Book 1452, Page 271, acting by and through its Board of Trustees, having an address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554 (the "Trust"), and Richmond Meadows Two P3P4, LLC (the "Grantee"), a Massachusetts limited liability company, having an address of 23 Concord Street, Wilmington, Massachusetts 01887.

WITNESSETH:

WHEREAS, Richmond Great Point Development, LLC (the "Developer"), a Delaware limited liability company, having an address of 23 Concord Street, Wilmington, Massachusetts 01887 presented a proposal to the Trust for the funding for the buy-down of the affordability levels of six (6) affordable units and the conversion of twelve (12) market rate units for rental to restricted income level households located at 47 and 49 Beach Grass Road and 1, 2, 3, 4, and 5 Violet Place, Nantucket, Massachusetts and being a portion of Lot 962 and all of Lot 966 on Land Court Plan No. 16514-118 (the "Property") to be constructed in a forty-eight (48)-unit mixed income housing project by the Grantee on the Property, to be known as Phase 3 and Phase 4 and of the "Meadows II" Workforce Rental Housing Development Project (the "Project") and the accceleration of the construction of the units in the aforementioned phases of the Project; and

WHEREAS, the Project is subject to that certain Local Initiative Program Regulatory Agreement and Declaration of Restrictive Covenants (as amended the "Regulatory Agreement") dated May 3, 2019 and registered with the Nantucket Registry District of the Land Court as Document No. 161871 and filed with Certificate of Title No. 24,872; and

WHEREAS, the Regulatory Agreement was first amended by a certain First Amendment to Local Initiative Program Regulatory Agreement and Declaration of Restrictive Covenants for "Meadows II" Workforce Rental Housing Development Project dated December 14, 2021 and registered with the Nantucket Registry District of the Land Court as Document No. 173044 and filed with Certificate of Title No. 28,341; whereby the Town, the Trust, and the Developer agreed to modify the terms of the Regulatory Agreement to, among other things, restrict an additional six (6) market-rate housing units to be made available to households whose annual income does not exceed one hundred (100%) percent of the Area Median Income("AMI") adjusted for family size as determined by the U.S. Department of Housing and Urban Development ("HUD"), and to restrict six (6) Units originally available for rental to households whose annual income does not exceed eighty (80%) percent of the AMI to households whose annual income does not exceed fifty (50%) percent of the AMI; and

WHEREAS, in exchange for the Trust's funding, the Developer and the Grantee have proposed to further modify certain aspects of the Project, and the Regulatory Agreement as heretofore amended, to reduce the affordability levels for six (6) units of rental housing available to households earning from eighty (80%) percent of the AMI to households earning less than seventy (70%) percent of the AMI, and to convert six (6) units of market rate rental housing to units for rent to households earning less than one hundred ten (110%) percent of the AMI and to convert an additional six (6) units of market rate housing to units for rental to households earning less than one hundred twenty (120%) percent of the AMI, evenly; and

WHEREAS, subject to Section 9 of the Regulatory Agreement, the Developer proposes to transfer, inter alia, the Property and rights to construct (as modified) Phase 3 and Phase 4 of the Project to Grantee, and Grantee shall thereafter serve as the successor developer to Developer for purposes of owning, constructing, and operating Phase 3 and Phase 4 of the Project; and

WHEREAS, to accelerate construction of Phase 3 and Phase 4, Developer requested a grant (the "Grant") from the Trust in the amount of Two Million Three Hundred Eighty Thousand and 00/100 Dollars ($2,380,000.00) and a loan (the "Loan") in the amount of Three Million Five Hundred Seventy Thousand and 00/100 Dollars ($3,570,000.00) for the sole purpose of construction of Phase 3 and Phase 4 of the Project; and

WHEREAS, all of the Units constructed in Phase 3 and Phase 4 will be subject to a perpetual affordable housing restriction held by the Town of Nantucket and all units of every type will be eligible for certification to the Town of Nantucket's Subsidized Housing Inventory (SHI) on an expedited basis as a result of the Grant and the Loan; and

WHEREAS, the vote of Article 10 of the 2022Annual Town Meeting authorized the appropriation of funds for the Trust to develop affordable housing units in the Town of Nantucket, including the costs of construction of affordable housing units and the acquisition of affordable housing restrictions by the Town: and

WHEREAS, the Trust voted to award the total amount of the Grant and Loan funds as a Loan in the amount of $5,950,000.00, subject to conditions contained herein, for the construction of Phase 3 and Phase 4 of the Project, subject to Grantee's grant of an affordable housing restriction on the Property (or a modification thereto, as necessary) to be held by the Town of Nantucket, and subject to the Trust and Grantee entering into a mutually agreeable Grant and Loan Agreement, Promissory Note, and Mortgage and Security Agreement perfecting the Trust's lien on the Property and securing repayment of the Loan (among other documents, collectively the "Loan Documents").

WHEREAS, the Trust now wishes to enter into this Agreement with the Grantee to set forth the terms of the Grant and the Loan;

NOW THEREFORE, the Trust and Grantee agree as follows:

1. Funding and Closing.

(A) As appropriated by Article 10 of the 2022 Annual Town Meeting and approved by the Select Board, the Trust at a meeting held on August _____ , 2022 voted to loan to Grantee a total of $5,950,000.00 (the "Loan Funds") on the condition that the Grantee shall use the Loan Funds only for the construction of Phase 3 and Phase 4 of the Project, and for the purposes of the Project incidental and related thereto, as set forth more particularly in the Developer's proposal, and this Agreement, and furthermore that $2,380,000 of the Loan Funds shall convert to a grant to be credited toward the balance of the Loan Funds at such time as the Units are eligible to be counted pursuant to the provisions for counting units under 760 CMR 56.03(2) such that the municipality (i.e., the Town) may request that the Department of Housing and Community Development ("DHCD") certify its compliance with its approved Housing Production Plan in an amount equal to its 0.50% production goal for the calendar year 2022 in accordance with 760 CMR 56.03 (4) (f), and so long as the Units are so eligible prior to the date and time a Developer (as that term is defined in 760 CMR 56.02) shall actually deliver a completed Application for Comprehensive Permit made pursuant to MGL c. 40B, §§ 20-23, and 760 CMR 56.00 to the Town Clerk and the Zoning Board of Appeals. The Select Board then ratified its vote at their meeting on September ___, 2022.

(B) Subject to the terms and conditions of this Agreement and the Promissory Note, the Trust hereby agrees to advance the Loan Funds, and Grantee hereby agrees to borrow the Loan Funds in accordance with the terms and conditions of the Loan Documents, in the principal sum of Five Million Nine Hundred Fifty Thousand and 00/100 ($5,950,000.00) Dollars, not later than the fifth (5^{th}) day following the Effective Date of this Agreement.

2. Conditions.

a) The Grantee shall construct the Project in accordance with the approved plans and specifications showing in detail the location, layout and size of the units, the landscaping and all other improvements to be constructed on the Property commencing the work on the Project within two (2) months from the date of the Effective Date (the "Commencement Date") and completing the Project within eighteen (18) months from the Commencement Date (the "Completion Date"), unless extended by the Trust for good cause. The Grantee is responsible for obtaining all requisite municipal approvals of the plans and specification.

b) Excess or unused Grant Funds or Loan Funds will be returned to the Trust if the Project has not begun or the Project has not been completed as provided for in the foregoing Section 2(a).

c) The Grantee, the Town of Nantucket, and DHCD shall enter into a Regulatory Agreement and Declaration of Restrictions (or modification thereof) on terms satisfactory to the Grantee and the Town, which shall require the Property to be used for affordable housing purposes in perpetuity, which shall survive foreclosure of any mortgages and/or other liens encumbering the Property, and grant the Town the independent permanent right to enforce the terms thereof without regard to whether DHCD remains as a party thereto (the

“Regulatory Agreement”). The affordability levels shall be reduced for six (6) units of rental housing available to households earning less than eighty percent (80%) AMI to households earning less than seventy percent (70%) AMI as determined by HUD, and to convert six (6) units of market rate housing to units for rental to households earning less than one hundred ten percent (110%) AMI, and convert an additional six (6) units of market rate housing to units for rental to households earning less than one hundred twenty percent (120%) AMI. In addition, six (6) of the units shall be rented to households whose annual income does not exceed eighty percent (80%) of the AMI. For the avoidance of any doubt, the remaining twenty-four (24) units in the Project may be rented to households at prevailing market rates without restriction. All the units in the Project must be eligible for inclusion in the Town’s Subsidized Housing Inventory (“SHI”). All mortgages and other liens on the Property shall be subordinate to the Regulatory Agreement, or a modification thereof. Grantee shall construct the Project on the Property for affordable housing purposes, consistent with the Special Permit and the Regulatory Agreement.

d) The Grantee agrees that as security for the Loan of the Loan Funds to the Grantee, and as security for the performance of the Grantee’s obligations hereunder and as arise under the Regulatory Agreement, Grantee shall grant to the Trust a fifty (50) year mortgage on the Property (the “Mortgage”), and shall issue to the order of the Trust a Promissory Note (the “Note” or the “Promissory Note”), both in form acceptable to Town Counsel, which Note shall have an interest rate of ________percent (__%) per annum, to be discharged at the end of said fifty (50) year term, notwithstanding any repayment of the Loan Funds, to ensure compliance with the affordability requirements in the Regulatory Agreement, provided that the Trust’s Mortgage shall at all times be subject to Section 18 of this Agreement and fully subordinate to the First Mortgages to Natick South, LLC and Eastern Bank on the Property. The loan secured by said Mortgage shall be come fully due and payable, with interest at the rate of four percent (4%) per annum upon the occurrence of the following conditions, among others: (i) the Project is not constructed or is not rented in compliance with the Regulatory Agreement, or (ii) the Project is not completed by the Completion Date. The foregoing shall be and constitute events of default, which are subject to the notice and cure requirements of the Loan Documents.

e) Unless and until (x) the Units to be constructed on the Property are eligible to be counted pursuant to the provisions for counting units under 760 CMR 56.03(2) such that the municipality (i.e., the Town) may request that DHCD certify its compliance with its approved Housing Production Plan in an amount equal to its 0.50% production goal for the calendar year 2022 in accordance with 760 CMR 56.03 (4) (f); and (y) the Zoning Board of Appeals for the Town of Nantucket may deny a Developer’s (as that term is defined in 760 CMR 56.02) Application for Comprehensive Permit made pursuant to MGL c. 40B, §§ 20-23, and CMR 56.00, on the grounds that DHCD has certified the Town’s compliance with the goals of its approved Housing Production Plan, in accordance with 760 CMR 56.03(4) and 760 CMR 56.03(4)(f) as a result of the countability of the Units, each prior to the date and time such Developer shall actually deliver its completed Application to the Town Clerk and the Zoning Board of Appeals, the Grant Funds shall be deemed and construed to be additional “Loan Funds” and shall be repayable to the Trust pursuant to the Note. For the avoidance of doubt, (1) if at any time the Units become ineligible for certification on the SHI following their initial eligibility then the Grant Funds shall convert to Loan Funds and be repayable to the Trust as a portion of the Loan, provided, however, such event shall not otherwise limit or prohibit the Trust's recourse hereunder or under the Loan Documents; and (2) if the Town or the Board are unable to deny a Developer's Application for Comprehensive Permit made pursuant to MGL c. 40B, §§ 20-23, and CMR 56.00 for reasons or upon grounds which are independent of, or contributory to, the failure or refusal of the Grantee to satisfy the conditions set forth in this subparagraph (e), then despite the efforts or any action, inaction, or other omission of the Grantee, the Grant Funds shall not be Loan Funds and shall not be required to be repaid to the Trust pursuant to the Note.

3. Project / Grantee Contact. Grantee, from time to time during the term of this Agreement, shall identify in writing a contact person responsible for administration of the Project. Grantee's contact person shall be interchangeable throughout the term of this Agreement and shall be designated by Grantee together with written notice of each change. Initially the individual responsible for administration of the Project shall be Philip Pastan, as he is the Manager of the Grantee.

4. Budget/Other Sources of Funding. Prior to the commencement of the Project, Grantee must submit a complete project budget to the Trust for its review and approval that accounts for (a) the expenditure of all funds awarded under this Agreement; and (b) the identity and amounts of all other sources of funding, if any, to complete the Project. If the Trust determines that the Loan Funds have been spent on goods and/or services not included in the Project budget, the Trust may withhold additional payments until detailed invoices are presented for review and approval by the Trust.

5. Payments. The Trust shall not disburse any Loan Funds for the construction of the Project until the Grantee has fee title to the portion of the Property comprising Phase 4 and has entered into a ninety-nine (99) year Ground Lease to the portion of the Property comprising Phase 3 and the Deed to Phase 4, a Notice of Lease for Phase 3, and a Mortgage to the Trust are filed with the Nantucket Registry District of the Land Court. Notwithstanding anything herein to the contrary, if the actual total cost of the Project is more than the Loan Funds (the difference between the two amounts referred to hereinafter as the "Excess"), the Trust shall have no obligation to pay the Excess. The Grantee is obligated to perform the work in a good and workmanlike manner and in compliance with the approved plans and specifications for the Project. The Loan Funds shall be disbursed to Grantee as follows:

    a) Two Million Three Hundred Eighty Thousand and 00/100 ($2,380,000.00) Dollars shall be disbursed upon approval of the Title Insurance Commitment and at such time as Grantee shall record, or cause to be recorded, the Mortgage and Security Agreement with the Nantucket Registry District of the Land Court and shall deliver a Lender's Title Insurance Policy to the Trust in the insured amount of up to $5,950,000.00;

    b) One Million Two Hundred Thousand and 00/100 ($1,200,000.00) Dollars shall be disbursed on ___________, 2022;

c) One Million Two Hundred Thousand and 00/100 ($1,200,000.00) Dollars shall be disbursed on ___________, 2022; and

d) One Million One Hundred Seventy Thousand and 00/100 ($1,170,000.00) Dollars shall be disbursed on ____________, 2022, subject to the Grantee's delivery to the Town of copies of the signed building permits for the forty-eight (48) units in the Project

6. Liability of the Trust. The Trust's liability hereunder shall be to make the payments specified in Section 1 of this Agreement, provided that the conditions set forth in Sections 2 and 5 have been satisfied by Grantee, and the Trust shall be under no further obligation or liability. Nothing in this Agreement shall be construed to render the Trust or any elected or appointed official or employee of the Trust, or their successors in office, personally liable for any obligation under this Agreement.

7. Indemnification. Grantee shall indemnify, defend, and hold the Trust and its officers, employees, servants and agents harmless from and against any and all claims, demands, liabilities, actions, causes of actions, costs and expenses, including attorneys' fees, arising out of or relating to Grantee's performance of the Project, the condition of the Property, or the negligence or misconduct of Grantee or Grantee's agents or employees.

8. Reports; Inspection. Grantee shall provide the Trust with progress reports during the construction period at three (3)-month intervals beginning sixty (60) days from the Effective Date, for so long as the Loan Funds remain unexpended, and with final notification within thirty (30) days after the completion of the Project. The Trust shall have the right, upon reasonable request, to inspect the work of Grantee upon reasonable advance notice and in the presence of an agent of Grantee, including the right to enter the Property.

9. Public Records; Loan Documents. All documents relating to the Project, including, but not limited to, photographs, videos, etc., submitted to the Trust shall become the property of the Town and shall be available for use by the Trust and available by the public under the Massachusetts Public Records Law. The Loan Documents consist of this Agreement, the Proposal, the Note, the Mortgage, and all documents attached thereto, the Regulatory Agreement, and all plans and specifications approved for the Project. The Loan Documents and the Memorandum of Understanding constitute the entire agreement between the parties concerning the Project.

10. Record Keeping. Grantee agrees to keep, for a period of six (6) years after construction of the Project is completed, such records with respect to the utilization and the proceeds of this Agreement as are kept in the normal course of business and such additional records as may be required by the Trust. Grantee further agrees to make these records available to the Trust upon written request.

11. Assignment or Transfer of Property. (a) This Agreement, the Loan Documents, and each and every document evidencing the Trust's security interest in the Property may not be sold, assigned, conveyed, and otherwise transferred by Grantee, without the Trust's prior written

consent subject, however, to the limitations or restrictions contained in the Regulatory Agreement. In no event shall the Grantee sell, transfer, convey or otherwise dispose of the Property and/or the Units to anyone other than to a successor developer or Project Sponsor approved by DHCD and the Town, or to an eligible household for rent. The Grantee shall not encumber the Property or any part thereof other than by a grant of a First Mortgage, a Notice of Contract with a general contractor constructing the Project, one or more residential leases, or customary and reasonable utility easements, except with the prior written consent of the Trust, which consent shall not be unreasonably withheld, conditioned, or delayed. With the exception of a sale of the majority (or controlling interest) of the beneficial interest of the Grantee, the sale, transfer, assignment, or other grant or conveyance of an equity ownership interest in the Grantee shall not be considered a sale, transfer, or assignment requiring consent of the Trust.

(b) Transfer or Assignments to Control Entity. Notwithstanding the foregoing subparagraph (a) or anything contained herein or in the Loan Documents to the contrary, provided no Event of Default has occurred and is continuing, this Agreement, the Note, the Loan Documents, and each and every document evidencing the Trust's security interest in the Property shall be fully transferable upon Grantee's sale of the Project, in whole or in part, without the prior written consent of the Trust if the purchaser or assignee is an entity that the Grantee controls, that is under common control with Grantee or that controls the Grantee (in the alternative, a "Control Entity"), provided that: (i) the Grantee sends written notice to the Trust at least thirty (30) days prior to any such transfer, notifying the Trust of the transferee's name and evidence of the control relationship; and (ii) any such Control Entity transferee shall enter into an Assumption Agreement, reasonably acceptable to the Trust, expressly agreeing to perform all of the Grantee's obligations under these Loan Documents. However, in the event of a sale, transfer, or assignment of the controlling interest of the beneficial interest of the Grantee, then such a sale, transfer, or assignment shall require the prior written consent of the Trust.

(c) Transfer or Assignments to Eligible Transferee. Provided no Event of Default has occurred and is continuing, the Grantee shall have the right to transfer or assign its right, title, and interest in the Property, this Agreement, and the Loan Documents to a party other than a Control Entity upon Grantee's sale of the Project (in whole or in part), with the consent of the Trust which shall not be unreasonably withheld provided they qualify as an "Eligible Transferee" as defined below.. The Grantee shall send written notice to the Trust at least sixty (60) days prior to any such transfer or assignment, notifying the Trust of the buyer's names and evidence that such transferee is an "Eligible Transferee" and provides copies of their financial statements certified by an certified accountant or auditor. For purposes of this Agreement, an "Eligible Transferee" shall be defined as an individual(s) or entity which meets the following qualifications: (i) the purchaser is approved by DHCD pursuant to the Regulatory Agreement; (ii) the purchaser (or its principals or affiliates serving as Project Sponsor) has demonstrable experience in the operation and management of affordable rental housing of not less than 100 cumulative units in the Commonwealth of Massachusetts or other state or jurisdiction having programs reasonably similar to those administered under MGL c. 40B; (iii) the purchaser (or its principals or affiliates serving as Project Sponsor) has an evidenced net worth of not less than twenty million ($20,000,000) dollars; (iv) the purchaser produces a binding loan commitment from an institutional lender doing business in the Commonwealth of Massachusetts for the purchase money proceeds necessary to acquire the Property / Project; (v) the purchaser is itself or has engaged a professional property management firm that has experience managing large, mixed income, and affordable properties; and (vi) the purchaser executes an assignment and assumption agreement reasonably acceptable to counsel to the Trust binding the purchaser to the terms of the Loan Documents. In the event that the buyer or assignee is deemed to be an Eligible Transferee, then they shall also deposit an amount equal to one (1) years' debt service on the Note into a separate account to be held by the Town for purposes of payment to the Trust of unpaid debt service by the Eligible Transferee if there is a default in the payment of the Note, which shall be replenished annually in the event that the Eligible Transferee has withdrawn funds from the reserve account for payment of its debt service to the Trust. The financing and refinancing of the Property by the Grantee shall not be considered a sale, transfer, assignment, or other conveyance requiring consent from the Trust.

12. Termination. In the event Grantee fails to fulfill all obligations under the terms of this Agreement, as determined by the Trust, and such failure is not cured within forty-five (45) days after the Trust has given written notice to Grantee specifying such failure, the Trust shall have the right, in its sole discretion, to terminate this Agreement upon written notice to Grantee. Upon receipt of said termination notice, Grantee shall cease to incur additional expenses in connection with this Agreement. Upon termination, and subject to the Loan Documents, the Trust shall be free to pursue any available rights or remedies, including without limitation, recapture of Loan Funds as set forth in Section 13 below. Upon the expiration or earlier termination of this Agreement, all rights and obligations of the parties hereunder shall expire and be of no further force and effect, except that the provisions of Sections 2, 6, 7, 10, 12, 13, and 18 shall survive said expiration or earlier termination.

13. Return of Funds. In the event Grantee fails to fulfill all obligations under the terms of this Agreement and this Agreement is terminated pursuant to Section 12, any Grant Funds or Loan Funds granted to Grantee under this Agreement and not yet expended shall be returned forthwith to the Trust without further expenditure thereof. If Grantee fails to fulfill its obligations under the terms of this Agreement as a result of negligent or intentional acts or omissions of Grantee or its agents, employees, contractors or invitees, Grantee shall be liable to repay to the Trust the entire amount of the Grant Funds and Loan Funds provided under this Agreement, and the Trust may take such steps as are necessary, including legal action, to recover such funds. Any Grant Funds or Loan Funds so returned or recovered shall be placed in the Trust's account. In the event that the Trust takes legal action under this Agreement, Grantee shall pay any and all costs, including reasonable attorneys' fees, expended for the enforcement of this Agreement.

14. Compliance with Laws. Grantee shall comply with all Federal, State and local laws, rules, regulations and orders applicable to the Project, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required in connection with the Project. No local permit or license is waived by the award of this grant.

15. Notice. Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth on Page 1 or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if mailed, when deposited with the U.S. Postal Service or, if sent by private overnight or other delivery service, when deposited with such delivery service.

16. Severability. If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Grant Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.

17. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and Grantee submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Grant Agreement.

18. First Mortgage Requirements. Grantee and every successor and assignee of Grantee permitted hereunder, shall have the right, without Trust's consent, from time to time, to mortgage and refinance its interest in this Property and the Project, or any part or parts thereof, without limitation as to amount of the mortgage and what the mortgage secures, under the first mortgage on the Property, or a refinanced First Mortgage (each a "First Mortgage"), and the right to assign unconditionally, collaterally or otherwise, the Property, the Project, all leases, and any other collateral security owned by Grantee or in which Grantee may have an interest for such First Mortgage, provided that Grantee may not use the proceeds of the refinanced First Mortgage to pay off or make a partial repayment of any loans subordinate to the Trust's Mortgage or to make a distribution to any beneficial owner of Grantee without the Trust's consent if the Grantee shall not be current in its repayments under the Note. All proceeds of any First Mortgage shall belong to Grantee.

    For the purposes of this Agreement, and all related Loan Documents, the term "First Mortgage" shall include (without implied limitation) mortgages, deeds of trust, assignments of leases and rents, and all similar instruments, as well as security interests, including (without implied limitation) security interests in personal property, and pledges and assignments of the Grantee's interest in the Property and the Project, and modifications, replacements, and consolidations of any of the foregoing, and the term "Property and Project" shall include, but not be limited to, the Property and all improvements, fixtures, and equipment thereon for these purposes.

    Until the Maturity Date, as that term is defined in the Promissory Note, and any extension thereof, the following shall apply in connection with First Mortgages:

    (a) The Trust or any successor Holder of the Loan shall, upon serving Grantee with any notice of default, simultaneously serve a copy of such notice upon a First

Mortgagee of record, to the name and address of such First Mortgagee provided by Grantee. The First Mortgagee shall thereupon have the right to remedy or cause to be remedied the defaults complained of pursuant to the terms and conditions, and within the timeframes provided in this Agreement or such other discrete instrument of the Loan Documents under which the default shall arise (time being of the essence), including reimbursement to Trust for any costs or expenses incurred if payable by Grantee under such circumstances, and Trust shall accept such performance by or at the instigation of the First Mortgagee as if the same had been done by Grantee, provided, however, that the First Mortgagee shall never be obligated to do so.

(b) Trust shall take no action to effect a termination of this Agreement or the Mortgage, to accelerate any payment due under the Promissory Note, or to commence any action in the nature of foreclosure by reason of any default, without first giving to the First Mortgagee a reasonable time within which either (i) to cure such default, in the case of a default which can be cured by the First Mortgagee without the commencement of foreclosure proceedings or obtaining possession of the Property; or (ii) in the case of a default which cannot be cured unless and until the First Mortgagee has obtained possession of the Property, to obtain possession of the Property (including possession by a receiver), and thereafter to cure such default; or (iii) to institute foreclosure proceedings, as expeditiously as is reasonable and prudent under the circumstances, subject to such delays as are beyond the First Mortgagee's reasonable control, and thereafter to cure such default; provided, however, that (x) in the case of a default in the payment of money, a reasonable time to cure the same shall be thirty (30) days following receipt of notice of the expiration of the grace period for Grantee, without cure; (y) the First Mortgagee shall not be required to continue such possession or such foreclosure proceedings which may theretofore have been instituted following a curing of any such default by the Grantee; and (z) nothing herein shall preclude the Trust from exercising any rights or remedies under this Agreement or the other Loan Documents, other than the rights specifically set forth and governed by this Section 18, with respect to any other default by the Grantee during any period of such forbearance. So long as any such default is cured within the time hereinbefore provided the Trust shall not effect a termination of this Agreement or the Mortgage, accelerate any payment due under the Promissory Note, or commence any action in the nature of foreclosure by reason of such default so cured.

(d) In the event of the termination of this Agreement for any reason whatsoever, including, without limitation, default of Grantee, the Trust shall, except as hereinafter provided, enter into a new agreement with the First Mortgagee or its successors, assigns, grantees, or any nominee for the remainder of the term of the Promissory Note effective as of the date of such termination, upon equivalent terms, covenants, agreements, provisions, and limitations as contained in the Loan Documents, provided, however:

(i) such First Mortgagee makes written request for such new agreement within thirty (30) days from the date of such termination; and

(ii) such First Mortgagee pays or causes to be paid to Trust at the time of the execution and delivery of such new agreement any and all sums which would at the time of the execution and delivery thereof be due under this Agreement or under the Promissory Note but for such termination, and pays or causes to be paid any and all reasonable expenses, including reasonable counsel fees, court costs and costs, and disbursements incurred by the Trust in connection with any such termination; and

(iii) such First Mortgagee cures any and all other defaults under this Agreement or any of the Loan Documents reasonably susceptible of being cured (only defaults which can be cured by the expenditure of money being deemed reasonably susceptible of being so cured).

The First Mortgagee, and its successors, assigns, grantees, and any nominee thereof shall have the same rights, title, and interest in and to the Property and the Project as Grantee. If the First Mortgagee succeeds to Grantee's interest in any of the Loan Documents, its liability extends only so long as it is the holder of the Grantee's interest thereunder, and it shall be released of all further liability from and after the date of any assignment of such interest.

(e) The Trust agrees that the name of the First Mortgagee may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Grantee under the Loan Documents. The proceeds from any insurance policies are to be held by any First Mortgagee and distributed pursuant to the provisions of its First Mortgage.

(f) The Trust agrees, within fourteen (14) days of its receipt, to execute, acknowledge and deliver any agreements modifying this Agreement requested by any First Mortgagee, provided that such modification does not decrease Grantee's obligations pursuant to the Loan Documents or its repayment obligations arising under the Promissory Note.

(g) The Trust agrees that the First Mortgage lien upon the Property and the Project shall at all times have priority in interest as an encumbrance thereon over the Trust's interest, and the Trust's Mortgage shall at all times be subordinate to the interest and lien of the First Mortgagee as if the First Mortgage were granted prior to the creation of the Trust's mortgage interest in the Property. Accordingly, the Trust (any successor Holder to the Trust) shall, upon request, execute, acknowledge and deliver to Grantee and to the First Mortgagee, such reasonable documents requested by Grantee or any First Mortgagee from time to time, including without limitation, an estoppel certificate concerning the status of Grantee's performance of obligations arising under the Loan Documents, including specifically (but without implied limitation) a statement that Grantee is not in default of any payment obligation, and one or more subordination agreements evidencing the priority of the First Mortgagee's right, title, and interest in the Property as superior or senior to the Trust's interests, all in such forms as are mutually satisfactory to such First Mortgagee, Grantee and the Trust.

(h) The failure by any such First Mortgagee to exercise the right under any provision of this Agreement shall not be deemed a waiver of its right under any other provision hereof.

The Trust shall, upon request of Grantee or any First Mortgagee, execute, acknowledge, seal, and deliver any and all of the instruments to be executed by it, necessary or required to effectuate the provisions of this Section 18 in a form reasonably acceptable to the Trust. If the Trust of any successor Holder of the Loan Documents cannot be identified with reasonable diligence or is unknown to the Grantee or any First Mortgagee, then such request of Grantee or any First Mortgagee shall be considered constructively granted in the affirmative after thirty (30) days' time and the Trust's interest in the Property shall be, and hereby is, automatically subordinated to the First Mortgage without the requirement of any further act or writing.

19. Recourse Restrictions. Prior to the Maturity Date of the Note, the Loan Documents and the Mortgage and Security Agreement shall be non-recourse to the Grantee, the Property, and the interest of the First Mortgagee, for the Grantee's non-payment of the Note and any other amounts due to the Trust pursuant to the Note and Loan Documents, except for any default caused by the Grantee's gross negligence or intentional misconduct. Notwithstanding the foregoing, the Trust may at any time during the term of the Note and the Mortgage bring or participate in any suit, claims, or actions against the Grantee to enforce the provision of the Regulatory Agreement concerning eligibility for certification of the Units on the SHI and the enforcement of the priority and continued existence of the Affordable Housing Restriction. In the event of non-payment of the Note, the Trust's remedy, prior to the Maturity Date, except as caused by the Grantee's gross negligence or intentional misconduct, shall be a payment by the Grantee from the available income, if any, generated by the Grantee's operation of the Property, as demonstrated by the Grantee's audited or certified financial statements, after Borrower's payment of (i) operating expenses necessary to operate the Property in accordance with Grantee's operating budget including, but not limited to, real estate taxes, insurance premiums, property management fees, development fees, accounting, bookkeeping, and tax preparation costs, utilities, repairs, maintenance, advertising expenses, monitoring agent fees, lottery expenses, and reserves for working capital and payment of contingent liabilities; and (2) all amounts due and payable to the First Mortgagee. If available cash after payment of aforementioned exclusions is insufficient to pay annual debt service due and payable to the Trust pursuant to the Note, then interest on the Loan shall continue to accrue at the rate set forth therein, provided, however, that Grantee's payment obligations shall forebear until available cash is sufficient to repay the unpaid debt service (plus all accrued interest as of the date of repayment) together with any other payment currently due and payable to the Trust. In addition to the Loan Documents, Grantee has entered into a certain Debt Subordination Agreement with the Trust, of even date herewith, wherein the Grantee covenants not to make distributions, payments, repayments, or other remunerations (excepting specifically annual estimated federal, state, and local income tax distributions for items of partnership taxation) to individuals or other

legal entities holding any equity or other beneficial ownership interest in the Grantee for the duration of time that any non-payment default is outstanding and uncured under the Note or the Loan Documents.

[Signature Page(s) to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Grant and Loan Agreement on the day and year first written above.

GRANTOR / TRUST:	GRANTEE:
TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND	RICHMOND MEADOWS TWO P3P4, LLC
By its Board of Trustees	By: ___________________________________ Name: Philip Pastan, its Manager
______________________________	

PROMISSORY NOTE

$5,950,000.00 September ____, 2022

FOR VALUE RECEIVED, the undersigned, **Richmond Meadows Two P3P4, LLC** ("Borrower"), a Massachusetts limited liability company, having a mailing address C/O The Richmond Company, Inc., 23 Concord Street, Wilmington, Massachusetts 01887, promises to pay to the order of the **Town of Nantucket Affordable Housing Trust Fund**, a municipal affordable housing trust duly established under Chapter 44, Section 55C of the General Laws under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 15, 2014, recorded with said Deeds in Book 1452, Page 272 (the "Trust"), having its usual place of business at 2 Fairgrounds Road, Nantucket, Massachusetts 02554, or at such other place as Borrower and the Trust may from time to time designate in writing, the principal sum of Five Million Nine Hundred Fifty Thousand and 00/100 Dollars ($5,950,000.00) (the "Loan"), with interest thereon as set forth herein. Payments of interest only shall be due and payable in accordance with the terms of this Note until and including the fifth (5^{th}) anniversary of the Commencement Date (such 5^{th} anniversary being hereinafter referred to as the "Conversion Date"), as that term is hereinafter defined, whereupon amortizing payments of principal and interest shall become due and payable as hereinafter set forth. Interest payable on the Loan shall be calculated on the basis of a 360-day year and the actual number of days elapsed, shall be accrued, and be non-compounding.

The indebtedness evidenced by this Note is secured by a Mortgage and Security Agreement of even date herewith, on 1, 2, 3, 4 and 5 Violet Place and on the ground lease of 47 and 49 Beach Grass Road, in Nantucket, Massachusetts as more particularly described in the Mortgage of even date herewith and duly filed or to be filed with the Nantucket County Registry District of the Land Court (together, the "Mortgage"). As used herein, the "Property" shall mean the land with the buildings and other improvements situated or to be situated thereon.

1. Said Mortgage and Note are to secure Borrower's performance of and compliance with the terms and conditions of (a) a certain Grant and Loan Agreement by and between Borrower and the Trust (the "Grant and Loan Agreement"), incorporated herein by reference, whereby the Trust is loaning the Borrower $5,950,000.00 (the "Loan Funds") of which $2,380,000.00 (the "Grant Funds") will be converted into a grant and credited to the balance of the loan amount at such time as the municipality (i.e., the Town) may request that the Department of Housing and Community Development ("DHCD") certify its compliance with its approved Housing Production Plan in an amount equal to its 0.50% production goal for the calendar year 2022 in accordance with 760 CMR 56.03 (4) (f), and so long as the Units are so eligible prior to the date and time a Developer (as that term is defined in 760 CMR 56.02) shall actually deliver a completed Application for Comprehensive Permit made pursuant to MGL c. 40B, §§ 20-23, and 760 CMR 56.00 to the Town Clerk and the Zoning Board of Appeals. The Borrower shall repay the Loan Funds at the rate of interest of _____________~~four~~ percent (~~4.00~~%) per annum. The Loan Funds shall be used for purposes of constructing forty-eight (48) units of mixed income (including low and moderate income) housing on the Property, of which

Borrower has agreed to rent six (6) units to income eligible households earning less than seventy percent (70%) of the Area Median Income (the "AMI" as determined by the United States Department of Housing and Urban Development ("HUD")), six (6) units to eligible households earning less than eighty percent (80%) AMI, six (6) units to eligible households earning less than one hundred ten percent(110%) AMI, and six (6) units to eligible households earning less than one hundred twenty percent (120%) AMI, each subject to an affordable housing restriction in perpetuity to be held by the Town of Nantucket and DHCD (the "Restriction"). All of the units on the Property shall be eligible for the Town of Nantucket's SHI.

2. This Note shall accrue interest at the per annum rate set forth above beginning on the date of the issuance of the final certificate of occupancy on the Property (the "Commencement Date") until fifty (50) years from the date when Borrower's first payment is due hereunder, which date shall be the maturity date of this Note (the "Maturity Date"). Beginning on the first anniversary of the Commencement Date and until the Conversion Date (the "Interest Only Period") Borrower shall make annual payments to the Trust of interest only, in arrears, not later than the fifth (5^{th}) day following each anniversary of the Commencement Date during the Interest Only Period. Beginning on the first anniversary of the Conversion Date and annually thereafter until the Maturity Date (each a "Payment Date"), Borrower shall make annual payments to the Trust of principal and interest amortized to repay the Loan Funds plus accrued and unpaid interest, within forty-five (45) years from the Conversion Date. The Loan plus all accrued and unpaid interest shall be due and payable and repaid in full on or before the Maturity Date. This Note may be prepaid in whole or in part, without any discount, penalty, or other charge, at any time (or times), provided that no such prepayment shall affect the obligations of the Borrower to construct all forty-eight (48) units on the Property.

For the avoidance of doubt, if at any time the Units become ineligible for certification on the SHI following their initial eligibility then the Grant Funds shall convert to Loan Funds or be repayable to the Trust as a portion of the Loan, provided, however, such event shall not otherwise limit or prohibit the Trust's recourse hereunder or under the Loan Documents.

3. The then-outstanding principal balance hereunder, and any interest accrued thereon, together with all other amounts payable to the Trust hereunder, and under the Mortgage (or the full amount of the Loan, as set forth herein) shall, at the option of the Trust, become and be due and payable immediately upon the occurrence of an Event of Default, as set forth more particularly herein, the Grant and Loan Agreement, and the Mortgage.

4. It shall be an "Event of Default" if:

(a) Except as permitted by the Grant and Loan Agreement, Borrower sells or transfers the Property and or the Units to anyone other than an eligible household for rent, or encumbers the Property or any part thereof other than a First Mortgage, as defined in the Grant and Loan Agreement, unless with the prior written approval of the Trust which may be withheld in its sole and absolute discretion;

(b) Borrower materially defaults on any of its obligations under this Note, the Mortgage, or the Grant and Loan Agreement beyond any applicable period of notice and cure;

(c) Borrower fails to substantially comply with the terms and conditions of the affordable housing restriction; or

(d) the filing of any petition under any federal or state bankruptcy statute, or the application for the appointment of a receiver or an assignment for the benefit of creditors of the undersigned, and the same is not cured within thirty (30) days from written notice from the Trust thereof.

Notwithstanding anything contained herein to the contrary:

(x) The Trust's recourse or other remedial rights under this Section 4 or elsewhere in this Note are expressly made subject to the Recourse Restrictions in Section 19 of the Grant and Loan Agreement; and

(y) upon receipt of notice from the Trust of an Event of Default, including but not limited to any payment default, the Trust or such other Holder of this Note shall not exercise any remedy under this Note or take or initiate any remedial act available either at law or in equity until a period of fifteen (15) calendar days has elapsed and Borrower shall have failed to cure or remove the cause of the Event of Default. In addition, Borrower may, if it requests the same in writing within fifteen (15) days from the date of said notice of default, request the Trust to hold a hearing to review the reasons for Borrower's noncompliance, with Borrower having the opportunity to be heard. Notwithstanding any provision contained herein or in any of the Loan Documents to the contrary, if at any time (and from time to time) prior to the Maturity Date Borrower shall obtain a First Mortgage, the Holder shall provide any written notice of default simultaneously to Borrower's first mortgagee of record, and Borrower's first mortgagee shall have a period (but shall not be obligated to) of thirty (30) calendar days to effectuate a cure or to otherwise remove the cause of the Event of Default so described in Holder's written notice. Without limiting any other rights or remedies of the first mortgagee holding the First Mortgage, the Trust or such other, or successive Holder of this Note shall, and hereby agrees to, accept the performance of first mortgagee holding the First Mortgage in order to vacate or remove the cause of the Event of Default, including (but without implied limitation) in the event the first mortgagee holding the First Mortgage shall become a mortgagee-in-possession of the Property or in the event of any foreclosure or deed-in-lieu thereof.

5. In the event the Grant and Loan Agreement is terminated, any Loan Funds granted to Borrower that have not been expended by Borrower shall be returned to the Trust forthwith without further expenditure of such funds, unless the Grant and Loan Agreement is terminated as a result of negligence or intentional acts or omissions of Borrower, in which event Borrower shall repay the Trust the full amount of Loan Funds paid to Borrower.

6. Any notice to Borrower provide for in this Note shall be given by mailing such notice by certified mail, return receipt requested, addressed to Borrower at the property address stated above, or to such other address as Borrower may designate by notice to the Holder. Any

notice to the Holder shall be given by mailing such notice by certified mail, return receipt requested to the Holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by notice to Borrower. If at any time (and from time to time) the Property shall be subject to a First Mortgage, then Holder shall simultaneously provide a copy of its written notice by the same means as given to Borrower, whether permissive or required hereunder, to Borrower's first mortgage lender at the address provided by Borrower to the Trust for the first mortgagee in the First Mortgage of record.

7. Borrower shall pay on demand all costs and expenses, including costs of collection and attorneys' fees, incurred or expended by the Trust for the collection of this Note upon an Event of Default. All payments received by the Trust are to be applied first to costs and expenses accrued and unpaid, with the balance to principal. Borrower acknowledges that the Loan evidenced by this Note is transferable only in accordance with the Grant and Loan Agreement.

8. No exercise of any remedy hereunder or under the Mortgage shall preclude any other or future exercises thereof. No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. Waiver on any one occasion shall not be construed as a bar to or waiver of any such right and/ or remedy on any future occasion. The Holder hereof shall have the right after default (and after any applicable notice or cure periods) to proceed directly against Borrower and/or against any portion of the security held therefor in such manner as the Holder may determine.

9. As it is herein used, the term "Holder" shall mean the payee or other endorsee of this Note, who is in possession of it, or the bearer hereof, if this Note is at the time payable to the bearer. The Holder shall at all times be subject to the terms and conditions of each and all of the Loan Documents including, but not limited, rights and remedies of the first mortgagee holding the First Mortgage. If at any time prior to the Maturity Date the Trust is not the Holder, then the Trust shall provide written notice to Borrower and its first mortgage lender of its grant, transfer, or assignment (whether voluntary, involuntary, or as a matter of law) of this Note to the successor Holder which writing shall include, but not be limited to, the name or identity of the person or legal entity becoming successor Holder to the Trust and such person or legal entity's physical address for notice and payments. The provisions of this Note are binding on the heirs, executors, assigns, and successors of each and every party hereof. Notwithstanding the foregoing and except as permitted by the Grant and Loan Agreement, this Note may not be assigned unless with the express written consent of the Holder. Except as otherwise herein defined, capitalized terms used throughout this Note shall have the same meaning given to them in the Grant and Loan Agreement.

10. This Note shall have the effect of an instrument under seal and shall be governed by the laws of The Commonwealth of Massachusetts. If any provision of this Note or the application thereof to any party or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Note, nor the application of such provision to any other party or circumstance shall be affected thereby, but rather the same shall be enforced to the maximum extent permitted by law.

Executed under seal this ____ day of September, 2022.

BORROWER:

Richmond Meadows Two P3P4, LLC

By: ____________________________
Philip Pastan, its Manager