

APPENDIX III

40R SMART GROWTH ZONING PROGRAM (40R) **HOMEBUYER DISCLOSURE STATEMENT** **(Full Deed Restriction is separate document)**

KEEP THIS DOCUMENT ACCESSIBLE

This Homebuyer Disclosure Statement summarizes your rights and obligations as the owner of a home located at the Residences at Nemasket River, # _____ Unit # _____, in Lakeville, Massachusetts (the "Municipality") purchased at less than the home's fair market value, under the 40R Smart Growth Zoning Program (40R). When you sell the home, that same opportunity will be given to the new buyer. In exchange for the opportunity to purchase the home at less than its fair market value, you must agree to certain use and transfer restrictions. These restrictions are described in detail in a 40R Deed Rider that will be attached to the deed to your home and recorded at the Registry of Deeds.

PLEASE REMEMBER:

You must occupy this home as your primary residence;

- You must obtain consent from the Department of Housing and Community Development (DHCD) and the Town of Lakeville (Municipality) and the Middleborough Housing Authority (monitoring agent) (together they are referred to as the "Monitoring Agents" in this Homebuyer Disclosure Statement) before renting, refinancing or granting any other mortgage or making any capital improvements to your 40R home;
- You must give written notice to the Monitoring Agents when you decide to sell your property.
- Your 40R property may not be transferred into a trust.

The contact information for the Monitoring Agents is listed in the 40R Deed Rider.

Please read the 40R Deed Rider restriction in its entirety because it describes and imposes certain important legal requirements. It is strongly recommended that you consult an attorney to explain your legal obligations and responsibilities.

Primary Residence

You must occupy your 40R property as your primary residence.

Renting, Refinancing and Capital Improvements

You must obtain the prior written consent of the Monitoring Agents before you do any of the following:

- Rent your 40R home;
- Refinance an existing mortgage or add any other mortgage including a home equity loan; or

- Make any Capital Improvements (for example, a new roof or a new septic system – see attached Capital Improvements Policy) if you wish to get credit for those costs (at a discounted rate) when you sell your home.

Before taking any action, please contact DHCD for instructions on renting, mortgaging, or making capital improvements to your home. If you do not obtain the required consent from the Monitoring Agents, you can be required to pay all of the rents or proceeds from the transaction to the Municipality.

Resale Requirements

When you sell your home, you are required to give written notice to the Monitoring Agents of your desire to sell so that they may proceed to locate an Eligible Purchaser for your 40R home. Your sale price will be computed by DHCD based on the formula set forth in the 40R Deed Rider to reflect your original purchase price plus certain limited adjustments.

The allowed sale price is defined as the “Maximum Resale Price” in the 40R Deed Rider. It is calculated by adjusting the purchase price you paid for the home to reflect any change in the area median income from the time you purchased the 40R home to the time of the resale plus:

- (a) The Resale Fee as stated in the 40R Deed Rider;
- (b) Approved marketing fees, if any; and
- (c) Approved Capital Improvements, if any.

The Maximum Resale Price can never be more than the amount which is affordable to an Eligible Purchaser earning 80% of the area median income, as determined by a formula set forth in the 40R Deed Rider. The sales price will also never be less than the purchase price you paid, unless you agree to accept a lower price.

The Monitoring Agents have up to 90 days after you give notice of your intention to sell the home to close on a sale to an Eligible Purchaser, or to close on a sale to a Monitoring Agent, or to a buyer that one of them may designate. This time period can be extended, as provided in the 40R Deed Rider, to arrange for details of closing, to locate a subsequent purchaser if the first selected purchaser is unable to obtain financing or *for lack of cooperation* on your part.

It is your obligation to cooperate fully with the Monitoring Agents during this resale period.

If an Eligible Purchaser fails to purchase the home, and none of the Monitoring Agents (or their designee) purchases the home, you may sell the home to a purchaser who does not qualify as an Eligible Purchaser (in this event, this purchaser is referred to as an ineligible purchaser), subject to the following:

- (i) the sale must be for no more than the Maximum Resale Price;
- (ii) the closing must be at least 30 days after the closing deadline described above;
- (iii) the home must be sold subject to a 40R Deed Rider; and
- (iv) if there are more than one interested ineligible purchasers, preference will be given to any purchaser identified by DHCD as an appropriately-sized household whose income is more than 80% but less than 120% of the area median income.

Any sale by you to an Eligible Purchaser, or to an ineligible purchaser (as described in the 40R Deed Rider), is subject to the normal and customary terms for the sale of property, which are set forth in the 40R Deed Rider and which will be included in your Purchase and Sale Agreement.

There is no commitment or guarantee that an Eligible Purchaser will purchase the 40R home, or that you will receive the Maximum Resale Price (or any other price) for your sale of the 40R home.

A sale or transfer of the home will not be valid unless (1) the total value of all consideration and payments of every kind given or paid by the selected purchaser do not exceed the Maximum Resale Price, and (2) the 40R Compliance Certificate that confirms that the sale or transfer was made in compliance with the requirements of the 40R Deed Rider is executed by the Monitoring Agents and recorded at the Registry of Deeds by the closing attorney.

If you attempt to sell or transfer the home without complying with the 40R Deed Rider requirements, the Monitoring Agents may, among their other rights, void any contract for such sale or the sale itself.

Foreclosure

In the event that the holder of a mortgage delivers notice that it intends to commence foreclosure proceedings, the 40R Deed Rider gives the Municipality an option to purchase the home (or to designate another party to purchase the home) for a period of 120 days after notice of the Lender's intent to foreclose.

If this foreclosure purchase option is exercised, the purchase price will be the greater of (i) the amount of the outstanding balance of the loan secured by the mortgage, plus the outstanding balance of the loans secured by any mortgages senior in priority, up to the Maximum Resale Price as of the date the mortgage was granted, plus any future advances, accrued interest and/or reasonable costs and expenses that the mortgage holder is entitled to recover, or (ii) the Maximum Resale Price at the time of the foreclosure purchase option, except that in this case the Maximum Resale Price may be less than the purchase price you paid. By signing the 40R Deed Rider, you are agreeing that you will cooperate in executing the deed to the Municipality (or its designee) and any other required closing documents.

If the foreclosure purchase option has not been exercised within 120 days of delivery of the foreclosure notice to the Monitoring Agents, the mortgage holder may conduct a foreclosure sale. The mortgage holder or an ineligible purchaser may purchase the home at the foreclosure sale, subject to the 40R Deed Rider.

If the sale price at the foreclosure sale is greater than the purchase price that would have applied for the Municipality's foreclosure purchase option as described above, the excess will be paid to the Municipality. By signing the 40R Deed Rider, you are agreeing to assign any rights and interest you may otherwise have in the balance of any foreclosure proceeds available after satisfaction of all obligations to the holder of the foreclosing mortgagee, for delivery to the Municipality.

There is no commitment or guarantee that the Municipality will exercise the foreclosure purchase option, or that your Lender will receive the Maximum Resale Price (or any other price) in any foreclosure sale of the 40R Smart Growth Zoning Program home. In addition, the foreclosing lender retains the right to pursue a deficiency against you.

Violation of Restriction Requirements

If you violate any of the Restriction terms, you will be in default and the Monitoring Agents may exercise the remedies set forth in the 40R Smart Growth Zoning Program Deed Rider.

If one or more of the Monitoring Agents brings an enforcement action against you and prevails, you will be responsible for all fees and expenses (including legal fees) for the Monitoring Agent(s). The Monitoring Agent(s) can assert a lien against the home to secure your obligation to pay those fees and expenses.

Acknowledgements

By signing below, I certify that I have read this Homebuyer Disclosure Statement and understand the benefits and restrictions described. I further certify that I have read the 40R Smart Growth Zoning Program Deed Rider and understand the legal obligations that I undertake by signing that document.

I also certify that I have been advised to have an attorney review this document and the 40R Smart Growth Zoning Program Deed Rider with me.

Dated _____, 20__

Homebuyer

Witness

Homebuyer

Witness

**40R Smart Growth Zoning Program Program (40R)
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
617-573-1100**

APPENDIX IV

AFFORDABLE OWNERSHIP UNITS

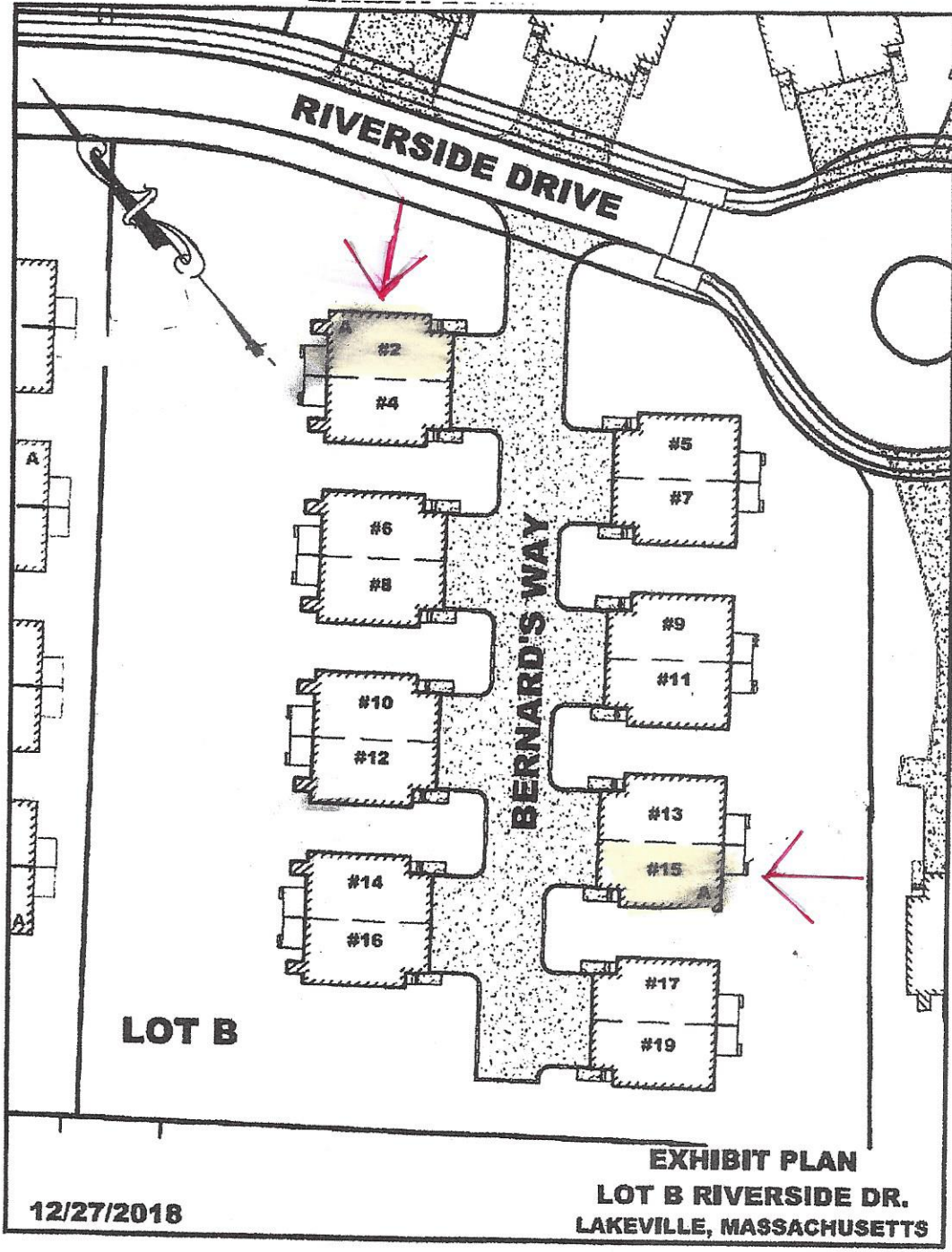
All five (5) affordable units are three bedroom, 2.5 bathrooms units located in off commercial Dirve and Riverside Drive in Lakeville, Massachusetts.

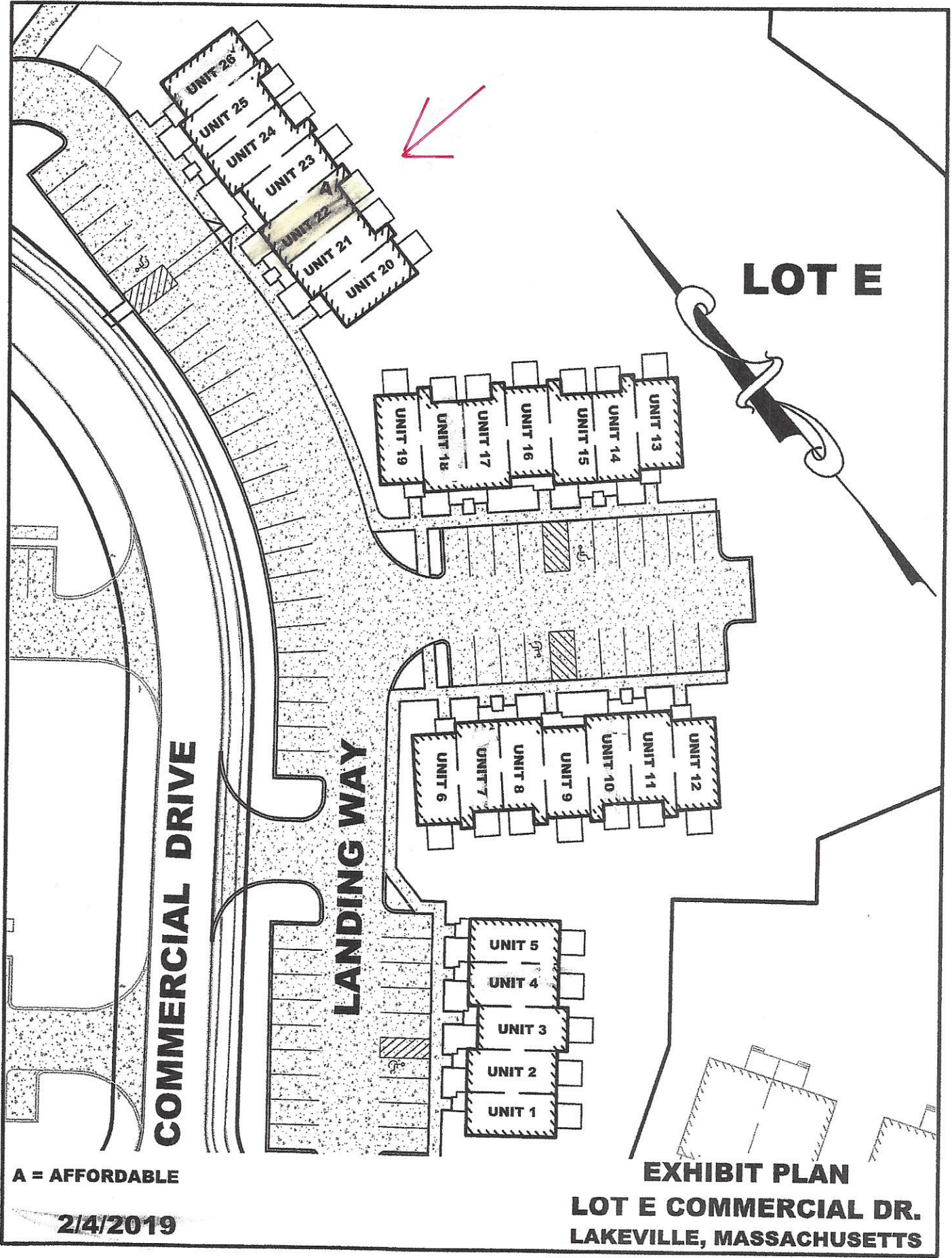
The following lists each affordable unit and are further identified on the attached map

1. 2 Bernard's Way, duplex, includes one car garage anticipated completion fall 2020
2. 15 Bernard's Way, duplex, no garage anticipated completion fall 2020
3. 22 Landing Way, townhouse, no garage anticipated completion fall 2020
4. 2 Bridget's Way, , duplex, includes one car garage anticipated completion early 2021
5. 9 Bridget's Way, , duplex, includes one car garage anticipated completion early 2021

The housing units on Bernard's Way & Bridget's Way, which are Low and Moderate Income Units, are those designated as "A" on the attached sketch plan entitled "Exhibit Plan Lot A Riverside Dr. Lakeville, Massachusetts" dated 12/27/2018.

The housing unit on Landing Way, which is Low and Moderate Income Units, are those designated as "A" on the attached sketch plan entitled "Exhibit Plan Lot E Commercial Dr. Lakeville, Massachusetts" dated 2/4/2019.





COMMERCIAL DRIVE

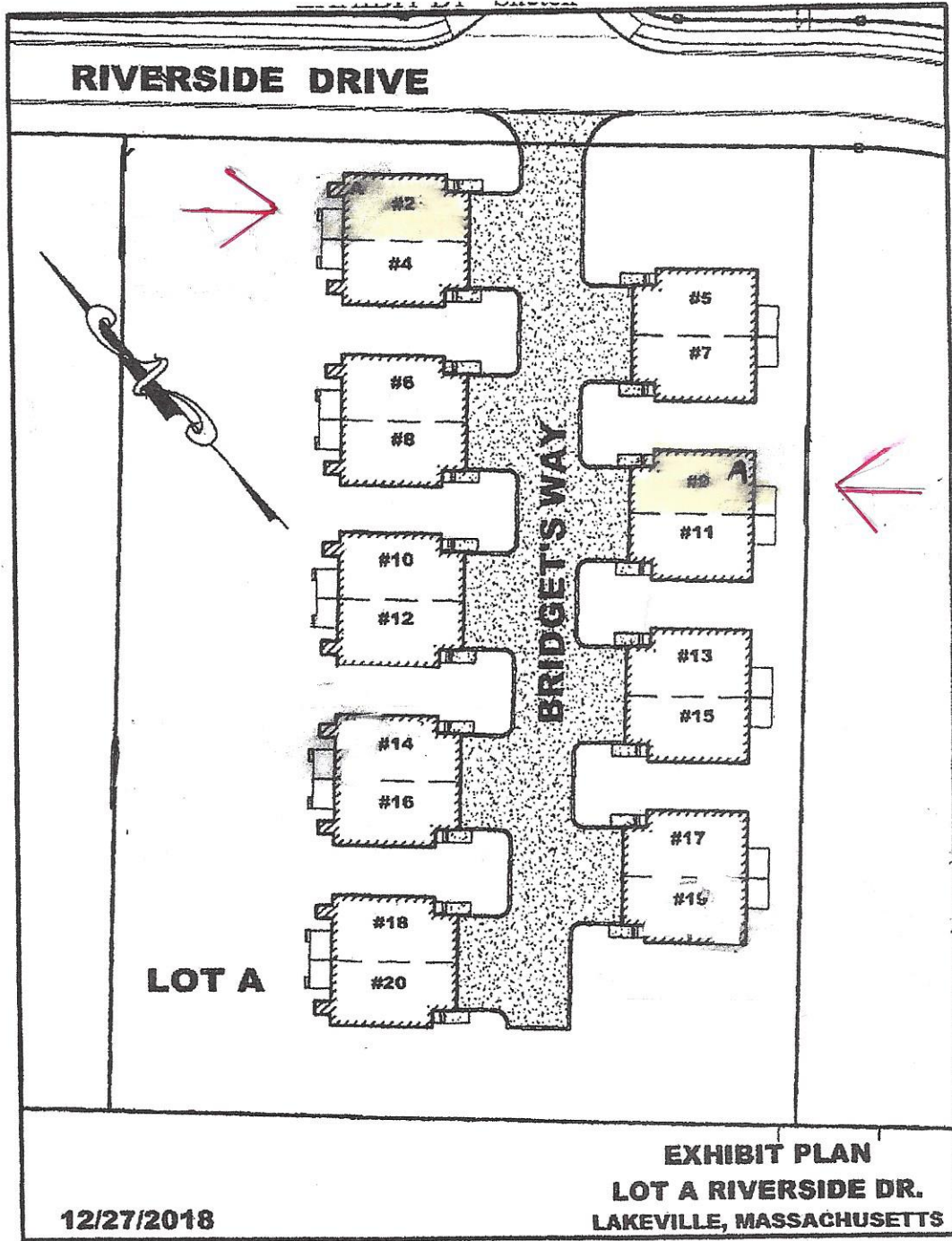
LANDING WAY

LOT E

A = AFFORDABLE

2/4/2019

**EXHIBIT PLAN
LOT E COMMERCIAL DR.
LAKEVILLE, MASSACHUSETTS**



40R SMART GROWTH ZONING PROGRAM
CAPITAL IMPROVEMENTS POLICIES AND PROCEDURES

Dear Smart Growth Zoning Program (40R) Homeowner:

Capital improvements *must be approved by the Monitoring Agent, DHCD and the local community* in order to be considered and added to the resale price. DHCD defines capital improvement as a necessary maintenance improvement, not covered by a condominium or homeowner association fee, that if not done would compromise the structural integrity of the property. Examples of necessary capital improvements include the following:

New roof	Septic tank replacement
Exterior painting due to deterioration	Heating or plumbing replacement
Structural deficiencies such as termite or other pest damage, water damage, or other maintenance as required	The replacement of siding, shingles or clapboard due to damage or long-term wear
Replacement of windows due to damage or long-term wear and tear	Other improvements identified by the owner and reviewed by DHCD.
Appliance replacement (stove, dishwasher, refrigerator)	

Improvements such as the installation of outdoor decks, flooring (except in cases of replacement due to damage or long-term wear), additions, garages, landscaping, and other items identified by the owner that are upgraded or luxury improvements will **not be** considered capital improvements and cannot be added to the resale price when the property is sold.

If a condominium or homeowners' association has a special assessment, DHCD will take into consideration the cost to the homeowner on a case by case basis. Additional documentation may be requested.

At the time of resale, DHCD will determine the current value of the improvement based on the depreciation schedule. For example, if a new heating system is installed for \$5,000 and the owner sells the property 5 years later, the full \$5,000 will not be added to the resale price. As with market rate properties, the value of the heating system is the greatest when it is new and it depreciates over time.

To begin the review process, please mail the following information to DHCD and your local community:

A letter requesting approval for the cost of a capital improvement, including:

- a description of the work to be done
- an estimate of the cost
- an explanation of why the work is a capital improvement

If the request is approved, DHCD will require a copy of the paid invoice after the completion of the work. DHCD will consider the useful life of the improvement and prepare a depreciation schedule for the cost of the improvement.

Requests for capital improvements or questions can be directed to:

Bill Reyelt
The Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
Attn: Office of Sustainable Communities – 40R Program
617-573-1355 617-573-1460 (fax)
Email: william.reyelt@state.ma.us

With respect to the requesting approval from your municipality, your Monitoring Agent should be able to direct you to the appropriate municipal contact and facilitate your request.

APPENDIX VI

SELLING YOUR LOCAL 40R HOME

Dear Smart Growth Zoning Program (40R) Homeowner:

The following is a summary on how to sell your home under the 40R program. *We wish to emphasize that before you may begin the process of selling your 40R unit, [name of designated Monitoring Agent] (the designated Monitoring Agent for your unit) and/or the [town/city] of [_____] must review your written request to sell, and issue a written response.*

To begin the review process, please mail the following ***checked*** items/information to both your Monitoring Agent and the [town/city] of [_____]:

- Written notice of your intent to sell (Conveyance Notice).** Your written notice should include your name, the property address and an email address and phone number where you can be reached during the day.
- A copy of the **Deed Rider** for your 40R unit. If you did not keep a copy, you can obtain one at your local Registry of Deeds.
- A clear **color photograph** of the exterior of your 40R unit for posting on the DHCD Affordable Units for Sale web page.
- A copy of the completed **Property Information Form** (attached).

The above documents should be mailed to the following address:

Address of Monitoring Agent:

Middleborough Housing Authority
8 Benton Street
Middleboro, MA 02346

and

Address of 40R local Plan Approval Authority (PAA) or PAA designated municipal department/official responsible for overseeing the Monitoring Services Agreement:

[Name of PAA/Designated Municipal Dept./Official]

[street address]

[municipality], MA [zip code]

MAXIMUM RESALE PRICE

After receiving the Conveyance Notice, the Monitoring Agent or Town of Lakeville as applicable, will send a written response to you stating the price for which you may sell your home. This price is called the *Maximum Resale Price*, and is determined based on the formula in your Deed Rider. The maximum resale price of your home is calculated by multiplying the appropriate current median income by the maximum resale price multiplier factor listed in the deed rider.

For a period of 90 days, the Monitoring Agent and the Town of Lakeville reserve the right to restrict the sale of the home to a First-time Homebuyer who is income-eligible under the 40R program. If an eligible buyer is located, but is unable to secure financing within the 90-day period, the Monitoring Agent and the Town of Lakeville have an additional 60 days to locate another eligible buyer.

MARKETING THE UNIT

During the 90-day period, the Monitoring Agent and the Town of Lakeville will market the unit to its list of eligible buyers. For communities that do not maintain such a list, the Monitoring Agent and the Town of Lakeville may assign a resale agent for marketing and qualifying applicants.

The Monitoring Agent will post information about your property on the MassAccess Housing Registry, DHCD's "Affordable Units for Sale" web page, and other locations as prescribed in the corresponding Affirmative Fair Housing Marketing Plan (AFHMP).

THE NEW BUYER

The new buyer must be income eligible under the 40R program. The Town of Lakeville or Monitoring Agent will verify eligibility. When the buyer's eligibility has been verified and has been approved for financing, both the seller and the buyer should retain legal counsel and sign a purchase and sale agreement. The Monitoring Agent and the Town of Lakeville must receive a copy of the purchase and sale agreement, and the loan commitment for the buyer, in order to prepare the closing documents.

If an eligible buyer is not located during the 90-day period (or subsequent 60-day period), you may sell your home to an ineligible buyer, although preference must be given to a household earning between 80% and 120% of area median income. The price to the ineligible buyer is the Maximum Resale Price.

The new buyer must sign a deed rider identical in form and substance to the seller's deed rider, and they are subject to the same rights and restrictions.

For more information, please contact Middleborough Housing Authority at 508.947.3824 or email to housing@middleboro.org.

RESALE PROPERTY INFORMATION FORM

Please complete this form and return with your letter of intent to sell

Seller Name: _____

Address: _____

Phone: Day: _____ **Evening:** _____

Email: _____

Primary Contact: _____

Phone: Day: _____ **Evening:** _____

Seller's Attorney: _____

Name of Development: _____

of Units/Homes in Development: _____ **Size of Home:** _____ **sq. ft.** **Age of Home:** _____

Style of Home: (Check One)

- Single Family **Condominium/Association Fee, if applicable:** \$_____ per month
- Town Home **Estimated Annual Taxes:** \$_____ per year
- Detached Condominium **Town Water** **Septic System**
- Garden Style Condominium

Condo Association: _____

Contact Name: _____

Address: _____

Phone: Day: _____ **Evening:** _____

About the Unit: # of Bedrooms: One Two Three

of Bathrooms: 1 1½ 2 2½

Garage: Yes, # of cars 1 or 2 (circle one) No

Basement: Yes No

Heat (check one): Gas Electric Oil Forced Hot Air Forced Hot Water

Appliances included in home sale:

- Refrigerator Yes No - Not Sure
Stove/Oven Yes No - Not Sure
Microwave Yes No - Not Sure
Dishwasher Yes No - Not Sure
Garbage Disposal Yes No - Not Sure
Washer/Dryer Yes No - Not Sure

Central Air Conditioning: Yes No

Hard Wood Floors: Yes No

Please list any other applicable description of the unit:
