



**Town of Wenham
BOARD OF SELECTMEN
AGENDA**

Tuesday March 19th

5:00 PM

Wenham Town Hall – 138 Main Street

Notice of public meeting as required by M.G.L. Chpt.30A §18-25

All audience members wishing to address the Board of Selectmen must go to the podium microphone and give their name & address.

5:00 P.M.

WELCOME: Call to order

Executive Session #3 under M.G.L. Ch. 30A, § 21 – To discuss strategy with respect to collective bargaining or litigation if the chair declares that an open meeting may have a detrimental effect on the bargaining or litigation position of the Town.

- Interim Town Administrator
- AFSCME Council 93, Local 2905
- Wenham Call Firefighters Association
- Maple Woods

Executive Session #6 under M.G.L. Ch. 30A, § 21 – To discuss the purchase, exchange, leave, or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the Town.

- Maple Woods

6:30 P.M.

PUBLIC INPUT: ITEMS NOT ON THE AGENDA

ANNOUNCEMENTS

JW

1. Municipal Vulnerability Preparedness Plan Listening Session – Thursday, March 21, 2019 at 7:00pm
2. Retirement Reception for Jan Dempsey, Library Director – Library, Thursday, March 28, 2019, 4:00-7:00pm
3. Warrant Hearing – Monday, April 1, 2019 at 7:00pm, Buker Elementary Multi-Purpose Room
4. WVIS Luncheon – Saturday, April 6, 2019 at 12:00pm, Buker Elementary Multi-Purpose Room
5. Annual Town Meeting – Saturday, April 6, 2019 at 1:00pm, Buker Elementary Perkins Auditorium
6. Kids Annual Town Meeting by the HWRHS National Honor Society – Saturday, April 6, 2019, 12:45pm – 4:00pm, Recreation Center
7. Candidates' Night – Wednesday, April 3, 2019 at 7:00pm, Buker Elementary Multi-Purpose Room
8. Annual Town Elections – Thursday, April 11, 2019, 7:00am – 8:00pm, Town Hall

6:40 P.M.

REPORTS

TOWN ADMINISTRATOR – Update
CHAIRMAN
SELECTMEN

6:45 P.M.

CONSENT AGENDA

JC

- A. One Day Liquor License Request – Wenham Museum, Board of Trustees Meeting, Wednesday, April 3, 2019, 5:30pm – 8:00pm
- B. Request to Use Wenham Streets – Gordon College 13th Annual Triathlon, Saturday, May 4, 2019

6:50 P.M.

NEW BUSINESS

- C. Recommendation for Appointment: (10 minutes) **JC**
 - Police Officer: Jason Lucontoni
- D. Review and Potential Approval of Amendment to Wenham Pines Host Community Agreement – Miranda Gooding (15 minutes) **JW**
- E. Review and Potential Approval of Local Action Unit Application to the Department of Housing and Community Development for Affordable Units at Wenham Pines (15 minutes) **CH**
- F. Discussion of Proposed Composition of Town Administrator Screening Committee (10 minutes) **JW**
- G. Review and Potential Approval of Interim Town Administrator Employment Agreement (5 minutes) **CH**
- H. Review and Potential Approval of FY20-22 Collective Bargaining Agreements Between Town and AFSCME Council 93, Local 2905 and Wenham Call Firefighters Association (15 minutes) **JC**
- I. Audit Committee Report on FY18 Audit Results and Discussion on Selection Process for FY20-22 Auditor Contract Services Agreement (10 minutes) **JW**
- J. Preliminary Review of Proposed Water Use Mitigation Policy (15 minutes) **JW**
- K. Potential Approval of Authorization to Exceed FY19 Snow and Ice Budget (5 minutes) **JC**
- L. Other matters, as may not have been reasonably anticipated by the Chair (Discussion Only) **CH**

8:30 P.M.

OLD BUSINESS

8:40 P.M.

ANTICIPATED ADJOURNMENT

Board of Selectmen Meeting Announcements – March 19, 2019

Jack Wilhelm

Municipal Vulnerability Preparedness Plan Listening Session

Thursday, March 21st at 7:00pm here in the Selectmen's Room, a Listening Session will be held to present and discuss the Town's Draft Hazard Mitigation Plan and Municipal Vulnerability Preparedness Plan. The plans which will identify natural and climate change hazards affecting Wenham and present strategies that the Town can take to reduce the impacts of these hazards. Questions may be directed to our Planning Coordinator Margaret Hoffman.

Retirement Reception for Library Director Jan Dempsey

A drop in reception will be held on Thursday, March 28th from 4:00 – 7:00pm at the Hamilton-Wenham Public Library for Jan Dempsey who is retiring after 14 years as our Library Director.

Warrant Hearing

The Warrant Hearing for our Annual Town Meeting will be held in the Bessie Buker Elementary Multipurpose Room on Monday April 1st at 7:00pm.

Annual Town Meeting

Our Annual Town Meeting will be held Saturday April 6th at 1:00pm in the Perkins Auditorium. ATM check-in with the Board of Registrars and the Wenham Village Improvement Society Town Luncheon will begin at 12:00pm.

Kids Town Meeting

Do you need childcare during Town Meeting? The Hamilton-Wenham Regional High School National Honor Society will offer a Kids Town Meeting with crafts, games and movie at the Recreation Center from 1:00 – 4:00pm with check-in beginning at 12:45pm. Please visit the Town website for more information, including a Sign Up Genius registration link.

Board of Selectmen Meeting Announcements – March 19, 2019

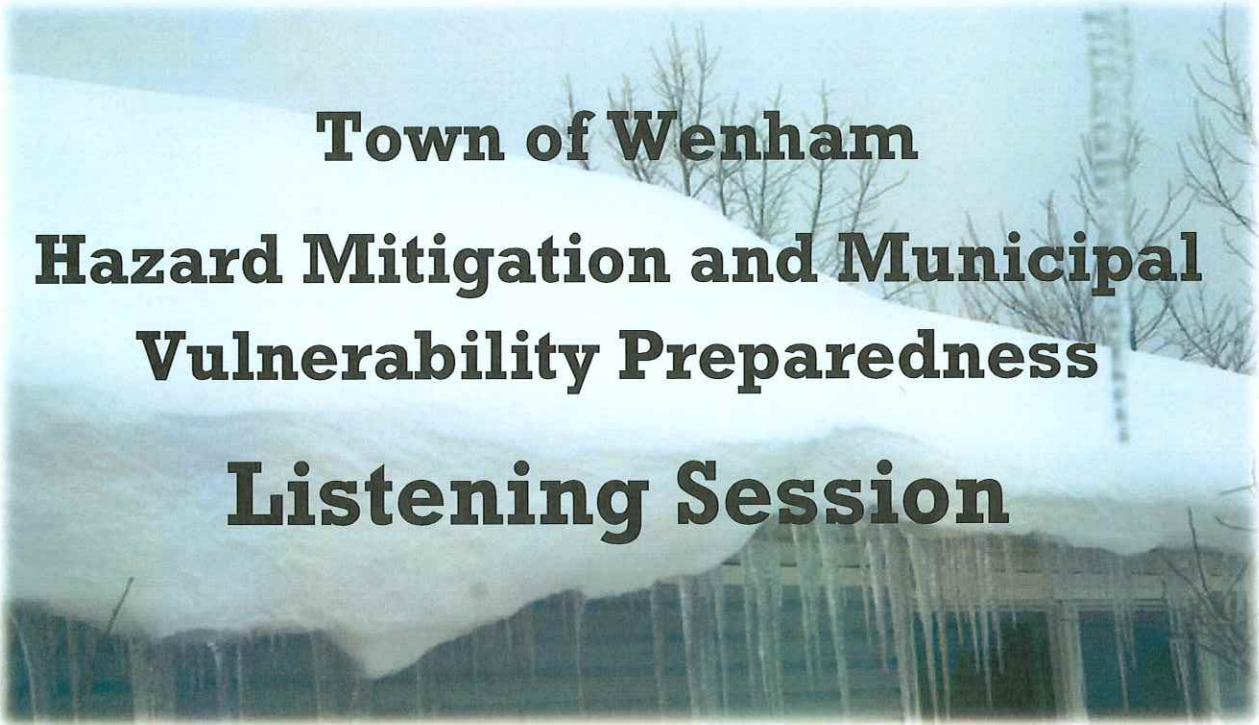
Jack Wilhelm

Candidates' Night by the League of Women Voters

Come to Candidates Night presented by the League of Women Voters of Hamilton-Wenham on Wednesday, April 3rd from 7:00 – 9:00pm at Buker Elementary School in the Multi-Purpose Room. This is your opportunity to meet the candidates for office before voting in the Town Election.

Annual Town Elections

Our Annual Town Elections will be held at Town Hall on Thursday, April 11th from 7:00am to 8:00pm.



Town of Wenham Hazard Mitigation and Municipal Vulnerability Preparedness Listening Session

WHO: The Wenham Land Use
Department

WHAT: A public meeting to present
an overview of Wenham's
draft Natural Hazards
Mitigation and Municipal
Vulnerability Plan.

WHEN: Thursday, March 21, 2019
Time: 7:00 pm

WHERE: Wenham Town Hall
138 Main Street

**PUBLIC IS
INVITED
TO ATTEND**



The plan will identify natural and climate change hazards affecting Wenham. It will also present strategies that the Town can take to reduce the impacts of these hazards.

For more information contact the Land Use Dept. at 978-468-5520 Ext 8

THE QUEEN IS LEAVING
THE HIVE ...



JAN'S RETIREMENT RECEPTION

Drop by when you can,
Thursday, March 28 from 4-7



Jan's had a great run of 14 years
as the Director, stop in to wish her
well on her next chapter.



Hamilton-Wenham Library

hwlibrary.org * 978-468-5577

TOWN OF WENHAM

EVENTS



WARRANT HEARING - MONDAY
APRIL 1, 2019 @7PM
BUKER

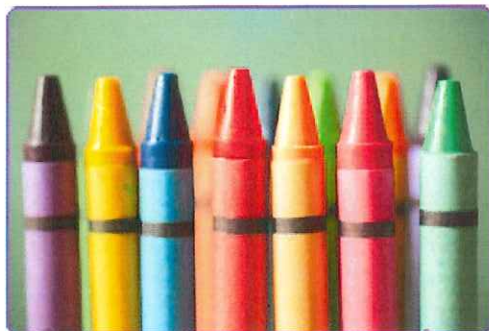
WVIS TOWN LUNCH - SATURDAY
APRIL 6, 2019 @12PM
BUKER

TOWN MEETING - SATURDAY
APRIL 6, 2019 @1PM
BUKER

TOWN ELECTION - THURSDAY
APRIL 11, 2019 @7AM-8PM
TOWN HALL

ABSENTEE VOTING WILL BE AVAILABLE FOR THE TOWN ELECTION
CONTACT THE CLERK - DBUCCO@WENHAMMA.GOV

ABSENTEE VOTING IS NOT AVAILABLE FOR TOWN MEETING



HWRHS National Honors Society

April 6th Kids' Town Meeting

April 6 at the Rec Center in Hamilton

9:00 am - 12:00 pm : Hamilton Children

1:00 pm - 4:00 pm : Wenham Children

Leave your children at the Hamilton Rec Center during the April 6th town meeting for crafts, sports, and a movie!

\$10 per child

Water and goldfish crackers provided for a snack.

Signing up below will reserve a spot for your child!

Date: 04/06/2019 (Sat.)

Location: Hamilton Rec Center

Created BC Brendan
by: Callahan



Already signed up? You can
[change your sign up.](#)

Submit and Sign Up



LEAGUE OF WOMEN VOTERS®
OF HAMILTON-WENHAM
PRESENTS

Upcoming Events

Candidates Night

Wednesday, April 3, 2019

7-9 p.m.

Buker Elementary School

Meet the candidates for office before voting in Hamilton and Wenham Town
Elections (Thursday April 11th)

Contact Lindsay Schnabel for more information (Lindsay.Schnabel@gmail.com)

Interested in joining the League?

Talk to a member or contact us at LeagueHW@gmail.com

Visit us at [Facebook.com/LWVofHamiltonWenham](https://www.facebook.com/LWVofHamiltonWenham) for more information.

BOARD OF SELECTMEN MEETING

March 19, 2019

REPORTS

- TOWN ADMINISTRATOR – Update
- CHAIRMAN
- SELECTMEN

BOARD OF SELECTMEN MEETING

March 19, 2019

**CONSENT AGENDA
DRAFT MOTION**

I move to approve all items in the Consent Agenda as presented.

BOARD OF SELECTMEN MEETING

March 19, 2019

CONSENT AGENDA

A.

One Day Liquor License Request

Wenham Museum

Board of Trustees Meeting

132 Main Street

Wednesday, April 3, 2019

5:30pm – 8:00pm

- One Day Liquor License Application
- Event Flyer
- Certificate of Insurance
- Tips Certification
- Check for \$50
- Email recommendation from Kevin DiNapoli, WPD Captain, March 13, 2019
- Email recommendation from Jeff Baxter, WFD Captain, March 13, 2019
- Email recommendation from Jackie Bresnahan, Permitting Coordinator & Special Projects Manager, March 13, 2019



Town of Wenham
Board of Selectmen

Application for Special License
(One Day) Liquor License

Please note applications for a Special Liquor License must be received by the Board of Selectmen at least **30 calendar days** prior to your function. This application may **not** be used for wine tasting events.

Event Title:	Wenham Museum board of trustees meeting
Date of Event:	Wednesday, April 3, 2019
Start Time:	5:30
Expected End Time:	8pm
Address of Event:	132 Main Street
# of People Expected to Attend:	20
Open to Public or Private Event?	Private
Type of Event? <small>(fundraiser, party, golf tournament, etc.)</small>	Meeting
Event Location Description: <small>(private home, public area, function hall, etc.)</small>	The Wenham Museum
Indoor or Outdoor Event?	Indoor
Bar or Liquor Service Vehicles?	No
Contact Name:	Kathleen Feldman
Company/Organization Name:	The Wenham Museum
Phone Number:	978-468-2377 x 128
Email Address:	Kathleen.feldman@wenhammuseum.org

Requesting a License for Sale of:

☒ All Alcoholic Beverages (non-profits only) \$50

☐ Malt and Wine (for profit companies) \$100

The Licensed Activity or Enterprise is:

☒ Non-Profit (May sell all forms of liquor)

☐ For Profit (May sell wines and malt beverages only)

Is the license for a dining hall maintained by an incorporated educational institution authorized to grant degrees? **NO**

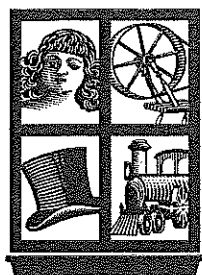
Please inform the Wenham Police Department of your function if your expected attendees will exceed 75 guests at least one week prior to your event, as a police detail may be required. All outdoor events will require a designated area for liquor consumption and a police detail if open to the general public regardless of the number of attendees.

Please include a check with your application made payable to the "Town of Wenham" for the designated license fee (\$50 non-profits / \$100 all others).

Signature

3/11/19
Date

Kathleen Feldman
Print Name



WENHAM MUSEUM

Celebrating Childhood
Connecting Generations
Honoring Heritage



PLEASE JOIN THE BOARD OF TRUSTEES

Wednesday | April 3 | 2019

5:30pm | Wine & Cheese

**6:00pm | Equestrian Histories Exhibit Overview
& Gallery Improvements**

**6:30pm | Event concludes as the Board of
Trustees begins its regularly scheduled meeting**

Please RSVP

ruth.gosselin@wenhammuseum.org

Save the Date!
SUMMER SOIREE
Saturday, June 8, 2018





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/12/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Lauren Goldman
Leslie Ray Insurance Agency, Inc.	PHONE (A/C, No, Ext): (978) 927-2600
129 Dodge Street	FAX (A/C, No): (978) 927-8938
	E-MAIL ADDRESS: lauren@leslieray.com
	INSURER(S) AFFORDING COVERAGE
Beverly MA 01915	INSURER A: Hanover Insurance Company
	INSURER B: Norfolk & Dedham Mutual Fire Ins Co
INSURED	INSURER C:
Wenham Historical Assoc.	INSURER D:
and Museum, Inc.	INSURER E:
132 Main Street	INSURER F:
Wenham MA 01984	

COVERAGES CERTIFICATE NUMBER: 18-19 Term w/Updated WC REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			ZBN9302014	08/21/2018	08/21/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Abuse & Molestation \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$			UHN9313210	08/21/2018	08/21/2019	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WE144973A	10/30/2018	10/30/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000


DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Event date: 4/3/19

Town of Wenham is listed as additional insured

CERTIFICATE HOLDER

CANCELLATION

Town of Wenham 138 Main Street Wenham MA 01984	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

© 1988-2015 ACORD CORPORATION. All rights reserved.

[Print](#)[Main Menu](#)

Do not click Back-Space to leave this window

Certificate of Completion

This Certificate of Completion of
eTIPS On Premise 3.0
For coursework completed on August 12, 2016
provided by Health Communications, Inc.
is hereby granted to:

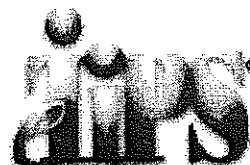
Derek Smith

Certification to be sent to:

2 Bridle Path Ln
Beverly MA, 01915-2177 USA

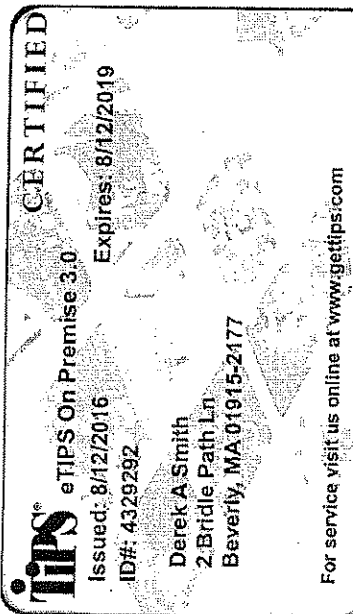


HEALTH COMMUNICATIONS, INC.



This document is not proof of TIPS certification. It signifies only that you have completed the course. Valid certification documents will be forwarded to you.

4329292
08/12/2019



CERTIFIED

TIPS

eTIPS On Premise 3.0

Issued: 8/12/2016

ID#: 4329292

Expires: 8/12/2019

Derek A Smith
2 Bridle Path Ln
Beverly, MA 01915-2177

For service visit us online at www.gettips.com

Wenham Museum
132 Main Street
Wenham, MA 01984
978-468-2377

Salem Five Cents Savings Bank
53-7055/2113

6836

3/11/2019

PAY TO THE
ORDER OF Town of Wenham

\$**50.00

Fifty and 00/100*****

DOLLARS

PROTECTED AGAINST FRAUD

Town of Wenham
Wenham Town Hall
138 Main Street
Wenham, MA 01984

Brian Z. Nor

MEMO

6836

Town of Wenham

3/11/2019

50.00

Cash - Salem 5

50.00

Nicole Roebuck

From: Jeff Baxter
Sent: Wednesday, March 13, 2019 10:13 AM
To: Nicole Roebuck
Cc: Tom Perkins; Kevin Dinapoli; Stephen B. Kavanagh; Jacqueline Bresnahan
Subject: Re: One Day Liquor License Request - Wenham Museum Trustees Meeting - April 3, 2019

Nicci
They are all set from fire

Jeffrey Baxter
Captain
Wenham Fire Department

Sent from my iPhone please excuse briefness or errors.

On Mar 13, 2019, at 10:09, Nicole Roebuck <NRoebuck@wenhamma.gov> wrote:

Please see the attached request from the Wenham Museum for a One Day Liquor License for Trustees Meeting on Wednesday, April 3, 2019 from 5:30pm – 8:00pm. Please reply with you recommendation to the BOS. This item will be on their Consent Agenda next Tuesday, March 19th.

Thank you,
Nicci

Nicci Roebuck
Executive Assistant
Town Administrator's Office

Town of Wenham
138 Main Street, Wenham, MA 01984
978-468-5520 x2

<One Day Liquor License - Wenham Museum Board Meeting 04.03.19.pdf>

Nicole Roebuck

From: Kevin Dinapoli
Sent: Wednesday, March 13, 2019 10:26 AM
To: Nicole Roebuck
Subject: RE: One Day Liquor License Request - Wenham Museum Trustees Meeting - April 3, 2019

No Issues

Captain Kevin J. DiNapoli
Wenham Police Department
1 Friend Court
Wenham, MA 01984
(978) 468-5500 Ext. 221

This e-mail communication (including any attachments) is covered by the [Electronic Communications Privacy Act, 18 USC 2510 et seq.](#) This communication is **CONFIDENTIAL**. The advice and work product contained herein are **PRIVILEGED** and intended only for disclosure to or use by the person(s) listed above. If you are neither the intended recipient(s), nor a person responsible for the delivery of this communication to the intended recipient(s), you are hereby notified that any retention, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify me immediately by using the "reply" feature or by calling the Wenham Police Department at (978) 468-5500, and then immediately delete this message and all attachments from your computer.

From: Nicole Roebuck
Sent: Wednesday, March 13, 2019 10:09 AM
To: Tom Perkins; Kevin Dinapoli; Stephen B. Kavanagh; Jeff Baxter; Jacqueline Bresnahan
Subject: One Day Liquor License Request - Wenham Museum Trustees Meeting - April 3, 2019

Please see the attached request from the Wenham Museum for a One Day Liquor License for Trustees Meeting on Wednesday, April 3, 2019 from 5:30pm – 8:00pm. Please reply with your recommendation to the BOS. This item will be on their Consent Agenda next Tuesday, March 19th.

Thank you,
Nicci

Nicci Roebuck
Executive Assistant
Town Administrator's Office

Town of Wenham
138 Main Street, Wenham, MA 01984
978-468-5520 x2

Nicole Roebuck

From: Jacqueline Bresnahan
Sent: Wednesday, March 13, 2019 4:18 PM
To: Nicole Roebuck
Subject: RE: One Day Liquor License Request - Wenham Museum Trustees Meeting - April 3, 2019

Hi Nicci,
Wenham Museum dropped off a check today. Building is all set.
Thanks,
Jackie

Jackie Bresnahan
Permitting Coordinator and Special Projects Manager
Town of Wenham
138 Main Street – (978)468-5520 x. 4
permitting@wenhamma.gov

From: Nicole Roebuck
Sent: Wednesday, March 13, 2019 10:18 AM
To: Jacqueline Bresnahan
Subject: RE: One Day Liquor License Request - Wenham Museum Trustees Meeting - April 3, 2019

Do you anticipate this being cleared up prior to Tuesday? If you do not, I will pull it from the agenda.

Nicci Roebuck
Executive Assistant
Town Administrator's Office

Town of Wenham
138 Main Street, Wenham, MA 01984
978-468-5520 x2

From: Jacqueline Bresnahan
Sent: Wednesday, March 13, 2019 10:13 AM
To: Nicole Roebuck
Subject: RE: One Day Liquor License Request - Wenham Museum Trustees Meeting - April 3, 2019

Building has not released certificate of annual inspection yet due to an outstanding fee. This should be resolved by the establishment before the Dept signs off.

Jackie Bresnahan
Permitting Coordinator and Special Projects Manager
Town of Wenham
138 Main Street – (978)468-5520 x. 4
permitting@wenhamma.gov

From: Nicole Roebuck
Sent: Wednesday, March 13, 2019 10:09 AM

BOARD OF SELECTMEN MEETING

March 19, 2019

CONSENT AGENDA

B.

**Gordon College Triathlon
Saturday, May 4, 2019**

- Letter from Greg Scruton, Director of Campus Recreation, Gordon College, March 6, 2019
- Email recommendation from Jeff Baxter, WFD Captain, March 11, 2019
- Email recommendation from Tom Perkins, WPD Chief, March 14, 2019



GORDON
RECREATION

Dear Mr. Lombardi,

March 6, 2019

The Gordon College Recreation Department would like to host its 13th Annual Gordon College Triathlon on Saturday, May 4, 2019. This year we would like to use the Hull St. loop (Grapevine Rd. to Hull Street to Rt. 22 back to Grapevine) as the bike portion of the triathlon. Participants will have to bike the loop three times. I will be talking to Chief Thomas Perkins of the Wenham Police Department about using the roads in Wenham for the triathlon. We would also like permission from the Wenham Board of Selectmen to pass over the roads in Wenham during the 13th Annual Gordon College Triathlon on May 4, 2019. Thank you for your time and I look forward to hearing from you at your earliest convenience.

Sincerely yours,

Greg Scruton
Director of Campus Recreation
Director of Fitness
Gordon College
255 Grapevine Rd.
Wenham, MA 01984
Greg.scruton@gordon.edu
978-867-4774

Nicole Roebuck

From: Jeff Baxter
Sent: Monday, March 11, 2019 10:30 AM
To: Nicole Roebuck
Subject: RE: Gordon College 13th Annual Triathlon

Nicole

We have no issue with this.

Thank you,
Jeffrey Baxter
Captain

Wenham Fire Department
140 Main St.
Wenham, MA 01984
Ph: 978-468-5508
Fax: 978-468-5509
Email: JBaxter@wenhamma.gov

This message and its contents are confidential and are intended for the use of the addressee only, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the intended recipient, this serves as notice that any unauthorized distribution, duplication, printing, or any other use is strictly prohibited. If you feel you have received this email in error, please delete the message and notify the sender so that we may prevent future occurrences

From: Nicole Roebuck
Sent: Friday, March 08, 2019 11:50 AM
To: Tom Perkins <tperkins@wenhamma.gov>; Stephen B. Kavanagh <SKavanagh4@wenhamma.gov>
Cc: Kevin Dinapoli <KDinapoli@wenhamma.gov>; Jeff Baxter <JBaxter@wenhamma.gov>
Subject: FW: Gordon College 13th Annual Triathlon

Good Morning,

Please see the attached request from Gordon College to use Wenham streets for their 13th annual triathlon, and reply with your recommendation for the Selectmen's review.

Thank you,
Nicci

Nicci Roebuck
Executive Assistant

Town Administrator's Office

Town of Wenham

138 Main Street, Wenham, MA 01984
978-468-5520 x2

From: Greg Scruton [<mailto:Greg.Scruton@gordon.edu>]

Sent: Friday, March 08, 2019 11:17 AM

To: Peter Lombardi; Nicole Roebuck

Subject: Gordon College 13th Annual Triathlon

Dear Mr. Lombardi and Ms. Roebuck,

I hope you both are doing well. Attached is a letter from the Gordon College Recreation Department requesting the use of streets in Wenham (Grapevine Rd. and Rt. 22) for its 13th Annual Gordon College Triathlon. The triathlon would take place on Saturday, May 4th at 8am. If you need anything more from me please let me know. I look forward to hearing from you.

Thank you,

Greg Scruton
Gordon College
Director of Campus Recreation
Fitness Director
255 Grapevine Road
Wenham, MA 01984

Nicole Roebuck

From: Tom Perkins
Sent: Thursday, March 14, 2019 3:06 PM
To: Nicole Roebuck
Subject: RE: Gordon College 13th Annual Triathlon

No Issues...they should be good to go

Thomas C. Perkins, Chief of Police
Wenham Police Department
1 Friend Court, P.O. Box 536
Wenham, MA 01984

978-468-5500 Extension 220

CONFIDENTIALITY:

The information contained files in this electronic mail message and any electronic files attached to it may be confidential information and may also be subject of legal professional privilege and or public interest immunity. If you are not the intended recipient you are required to delete it. Any use, disclosure or copying of this message and any attachments is unauthorized. If you have received this electronic message in error, please inform the sender. This footnote also confirms that this email message has been checked for the presence of computer viruses.

From: Nicole Roebuck
Sent: Wednesday, March 13, 2019 10:23 AM
To: Tom Perkins; Kevin Dinapoli
Subject: FW: Gordon College 13th Annual Triathlon

Hi guys,

Are there any issues with the Gordon Triathlon on Saturday, May 4th from a police perspective?

Thank you,
Nicci

Nicci Roebuck
Executive Assistant
Town Administrator's Office

Town of Wenham
138 Main Street, Wenham, MA 01984
978-468-5520 x2

From: Nicole Roebuck
Sent: Friday, March 08, 2019 11:50 AM
To: Tom Perkins; Stephen B. Kavanagh

Cc: Kevin Dinapoli; Jeff Baxter (JBaxter@wenhamma.gov)

Subject: FW: Gordon College 13th Annual Triathlon

Good Morning,

Please see the attached request from Gordon College to use Wenham streets for their 13th annual triathlon, and reply with your recommendation for the Selectmen's review.

Thank you,
Nicci

Nicci Roebuck

*Executive Assistant
Town Administrator's Office*

Town of Wenham

138 Main Street, Wenham, MA 01984
978-468-5520 x2

From: Greg Scruton [mailto:Greg.Scruton@gordon.edu]

Sent: Friday, March 08, 2019 11:17 AM

To: Peter Lombardi; Nicole Roebuck

Subject: Gordon College 13th Annual Triathlon

Dear Mr. Lombardi and Ms. Roebuck,

I hope you both are doing well. Attached is a letter from the Gordon College Recreation Department requesting the use of streets in Wenham (Grapevine Rd. and Rt. 22) for its 13th Annual Gordon College Triathlon. The triathlon would take place on Saturday, May 4th at 8am. If you need anything more from me please let me know. I look forward to hearing from you.

Thank you,

Greg Scruton
Gordon College
Director of Campus Recreation
Fitness Director
255 Grapevine Road
Wenham, MA 01984

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

C.

Appointment

(10 minutes)

➤ Police Officer: Jason Lucontoni

- Draft Motion
- Recommendation Letter from Tom Perkins, WPD Chief, March 15, 2019
- Cover Letter and Resume from Jason Lucontoni, February 11, 2019
- Trainings & Certifications for Jason Lucontoni
 - Internal Affairs Investigation Training
 - HSI 101
 - 47th Annual Regional Criminal Investigation School
 - 48th Annual Regional Criminal Investigation School
 - Proactive Criminal Enforcement Seminar
 - Investigating Prescription Drug Crimes
 - Trends of Terrorism
 - Asset Forfeiture
 - Pharmaceutical Drug Investigations
 - Undercover Risk Analysis
 - Concealment Areas Within A Vehicle
 - Supervising Counterdrug Operations
 - Domestic Drug Interdiction
 - NH Part-Time Police Officer
 - NH Full-Time Police Officer
 - NH Recruit Academy
 - NH Enhanced Basic Program



THOMAS C. PERKINS
CHIEF OF POLICE

WENHAM POLICE DEPARTMENT

1 Friend Court
P.O. Box 536
Wenham, MA 01984
"Dedicated to Community, Committed to Serve"



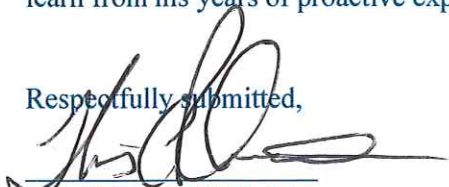
PHONE (978) - 468 - 4000
FAX (978) - 468 - 5603

Date: March 14, 2019
To: Peter Lomabardi, Town Administrator
From: Chief Thomas C. Perkins
Subject: Open position #1 recommendation

Sir,

Please accept this recommendation for Full Time Patrolman due to the resignation of Sgt. Jon Gray. As documented in previous correspondence, our goal was to try and attract a candidate with a minimum of 5 years of full time experience. We felt this approach necessary due to this opening happening within such close proximity to the previous two. We did expect this to be challenging as there was an aggressive time line. Additionally, officers tend to be hesitant to start over after completing 5 or more years. We found this to be true as we received 6 applications. Four of which did not meet the posting requirements. We may consider some of the four in the future for reserve officer positions. As for the remaining two, we scheduled interviews over the last two weeks. One of the two candidates withdrew for timing and personal reasons prior to being interviewed. Jason Lucontoni continued with the process and was interviewed by myself, you, Capt. DiNapoli and Sergeant Chris Machain. Candidate Lucontoni interviewed and scored very well. (95/98 % respectfully by way of consensus scoring.) He presented with a great deal of investigative and drug educational experience. This is perhaps the greatest institutional loss felt with the resignations of Sgt. Gray and Detective Kavanagh (close to 40 years experience) . If this recommendation is adopted, Officer Lucontoni will be in a position for other officers to learn from his years of proactive experience on the street. Just some of his many certifications are attached.

Respectfully submitted,


Chief Thomas C. Perkins

BOARD OF SELECTMEN MEETING

March 19, 2019

DRAFT MOTION

Police Officer Appointment

Jason Lucontoni

- Vote: I move to appoint Jason Lucontoni as a full-time Police Officer contingent upon completion of a physical examination and approval by the Municipal Police Training Committee (MPTC) under 550 CMR 3.03 of a petition for an exemption from the basic police recruit training provisions of MGL Ch. 41 Sec. 96B.

Seconded / Discussion/ Vote

February 11th, 2019

Captain Kevin J. DiNapoli

1 Friend Court

P.O. Box 536

Wenham, Massachusetts 01984

Dear Captain DiNapoli,

As a current Captain with the Hudson, New Hampshire, Police Department, I would like to be considered for the position of Full-Time Police Officer for the Town of Wenham. The attached resume will provide you with the details of my experience, training and capabilities.

As you will note, I have over 24 years of experience as a full-time certified police officer in the State of New Hampshire. I have worked in all facets of my current agency to include patrol, detectives, first-line supervision, mid-level (command staff) management and administrative management. My resume will also provide details about my special skills, certifications and training in areas to include, but not limited to: administration, management, police accreditation, undercover narcotics officer, drug task force supervisor, investigator, detective supervisor and detective commander. In addition, I have taught many classes to community members, as well as to police officers. I also completed numerous on-air media releases and possess a degree in Criminal Justice from Hesser College located in Manchester, New Hampshire.

Among my strengths are excellent organizational abilities and strong leadership skills. Combined with my dependability and dedication, these qualities would enable me to make valuable contributions to the Wenham Police Department.

I would appreciate a chance to meet with you to discuss in greater detail my experience and qualifications.

Thank you for your time and consideration.

Sincerely,

Jason Lucontoni

Enclosure: Resume

JASON LUCONTONI

SUMMARY OF QUALIFICATIONS:

- Criminal Justice degree and relevant municipal police, state, federal and county experience.
- High achiever with notable academic, sports and volunteer accomplishments.

EDUCATION:

- **COLLEGE OF NOTRE DAME**, Manchester, NH
Paralegal Studies, 1993-1994
- **HESSER COLLEGE**, Manchester, NH
Associate's Degree in Criminal Justice, 1994

EXPERIENCE:

HUDSON POLICE DEPARTMENT

June 1996 to Present

Captain/Administrative Bureau

September 2017 - Present

- Responsible for reviewing, establishing and amending department policies as deemed necessary to comply with the internationally recognized standards of performance of the Commission on Accreditation for Law Enforcement Agencies, Inc., (C.A.L.E.A.).
- Ensure all aspects of the accreditation maintenance process are completed, including periodic inspection reports, reviews and updates.
- Responsible for the coordination of training for all sworn-personnel, as specified by the New Hampshire Police Standards and Training Council.
- Supervise School Resource Officers to ensure safety and positive community relations.
- Supervise the Legal Division and all personnel assigned.
- Oversee support services and its personnel, also responsible for maintenance of the entire department fleet.
- Responsible for writing and managing all state and federal grants
- Coordinate the Citizen Police Academy program, including recruitment and selection, curriculum development and instructor selection.

Detective Lieutenant/Division Commander

October 2015 – September 2017

- Responsible for the overall command of shift activity including that of patrol officers, sergeants and dispatchers assigned to the shift.

Detective Sergeant/Supervisor

January 2010 – October 2015

- Responsible for the overall command of shift activity including that of patrol officers, sergeants and dispatchers assigned to the shift.
- Works closely with the Operations Commander.

Undercover Drug Task Force/Team Leader

March 2003 – July 2007

- Responsible for the overseeing undercover/covert operations for the New Hampshire Attorney General's Drug Task Force – Metro team.
- Cultivating, debriefing and handling confidential informants
- Works closely with the Drug Task Force Commander

JASON LUCONTONI

EXPERIENCE (*Continued*):

Detective/Criminal Investigations

June 2000 – March 2003

- **Crime Scene Technician:** Responsible for processing, labeling, securing evidence and confirming chain-of-custody in all court proceedings.
- Prepare and execute search warrants and arrest warrants.
- Identify criminal offenders and criminal activity, apprehend offenders and participate in subsequent court hearings.
- Conduct thorough investigations of all offenses and incidents.
- Participate in various community policing and volunteer activities.

Patrolman

June 1996-July 2000

- Responsible for the overall shift activity, patrol officers and assigned communications personnel.
- Work closely with the Patrol Commander in planning and developing strategies for matters involving the shift.

ROCKINGHAM COUNTY SHERIFF'S OFFICE

November 1994 - June 1996

Deputy Sheriff / Manchester-Boston Regional Airport

- Performed all standard duties and FAA regulations at the airport
- Traffic and parking enforcement at the Manchester-Boston Airport Terminals

LYNDEBOROUGH POLICE DEPARTMENT

December 1993 - November 1994

Part-Time Police Officer

- Graduate of the 103rd N.H. Police Academy – *September 1994*
- Performed all standard patrolman duties.
- Community CPR and First Aid certified.

ADDITIONAL PROFESSIONAL RESPONSIBILITIES:

- **Joint Terrorism Task Force Liaison (2010-Present)**
Hudson Police Liaison for the FBI's Joint Terrorism Task Force.
- **Secret Security Clearance (2015-Present)**
Received Secret Security Clearance through the Federal Bureau of Investigation - Joint Terrorism Task Force.
- **Expert in Vehicle Hidden Compartments "Hides" (2012-Present)**
Assisted numerous local L.E. agencies, as well as the United States Federal Bureau of Investigations with locating and identifying hidden compartments within motor-vehicles.
- **N.H. Justice of the Peace (2014-Present)**
- **Hillsborough County Drug Court Committee - Executive Member (2015-2018)**

JASON LUCONTONI



ACCOMODATIONS/AWARDS

- **Award:** Recipient of "Officer of the Year Award" through the Hudson JWC (2011).
- **Award:** Recipient of "Employee of the Month Award" (December 2008).
- **Award:** Recipient of "Letter of Commendation" (December 2008).

UPON REQUEST:

- Training Certifications
- References

Certificate of Completion

Inc

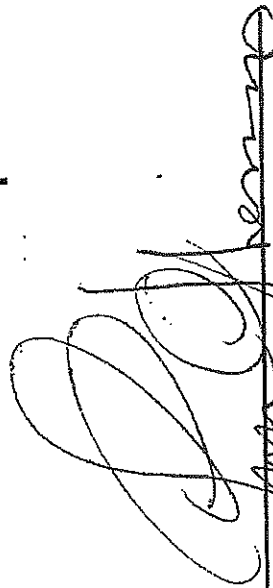
This is to certify that

JASON LUCONTONI

Has successfully completed all requirements for
The 40 hour law enforcement training program Titled

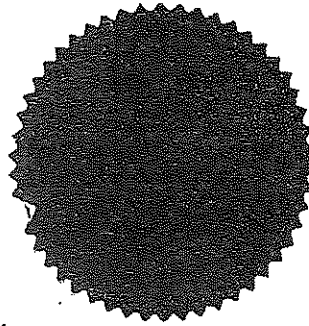
"Internal Affairs Investigations"

Sponsored by New Hampshire Police Standards and Training
April 6th through April 10, 2015



Charles C. Hemp

Instructor - Investigative Training





IMC

Certificate of Completion

is hereby granted to

Jason Lucontoni

Who has satisfactorily completed the 4 hour training course

“HSI 101”

Training held by New England HIDTA
at Andover Police Dept., Andover, MA

March 3, 2015

J.T. Fallon

J.T. Fallon
Executive Director
New England HIDTA

Joseph A. Sullivan

Joseph A. Sullivan
Program Manager
Homeland Security Investigations-Boston

Narcotic Enforcement Officers Association

TMC

in conjunction with

New England State Police Information Network

and

Multijurisdictional Counterdrug Task Force Training

proud sponsors of the

47th Annual Regional Criminal Investigation School

Award this

CERTIFICATE OF ATTENDANCE

to

Jason Lucontoni
Hudson Police Department

Dated this day, the 7th day of November 2014

Attested:

Michael R. Rinaldi

Lieutenant Michael R. Rinaldi (Ret.)

President

Gabriel Lupo

Lieutenant Gabriel Lupo

Vice President

Blake J. Stine

Sergeant Blake J. Stine (Ret.)

Vice President

Richard Montefusco

Sergeant Richard Montefusco

Vice President

Duane Tompkins

Lieutenant Duane Tompkins (Ret.)

Secretary

C. Richard Stook

Detective C. Richard Stook (Ret.)

Treasurer

William Butka

Inspector William Butka (

School Chairman

Narcotic Enforcement Officers Association

IME

in conjunction with

New England State Police Information Network

and

Multijurisdictional Counterdrug Task Force Training

proud sponsors of the

48th Annual Regional Criminal Investigation School

Award this

CERTIFICATE OF ATTENDANCE

to

Jason Lucontoni
Hudson Police Department

Dated this day, the 6th day of November 2015

Attested:

Michael R. Rinaldi

Lieutenant Michael R. Rinaldi (Ret.)

President

Gabriel Lupo

Lieutenant Gabriel Lupo

Vice President

Blake J. Stine

Sergeant Blake J. Stine (Ret.)

Vice President

Richard Montefusco

Sergeant Richard Montefusco

Vice President

Duane Tompkins

Lieutenant Duane Tompkins (Ret.)

Secretary

C. Richard Stook

Detective C. Richard Stook (Ret.)

Treasurer

William Butka

Inspector William Butka (Ret.)

School Chairman

TAC

CERTIFICATE OF PARTICIPATION

This certificate is awarded to

Jason Lucontoni

HAS SUCCESSFULLY COMPLETED 24 HOURS OF THE

PROACTIVE CRIMINAL ENFORCEMENT SEMINAR

CRIMINAL INTERDICTION, ELECTRONIC/HYDRAULIC COMPARTMENTS,
SEARCH AND SEIZURE

HELD ON OCTOBER 7TH , 8TH, AND 9TH, 2013 IN STURBRIDGE, MASSACHUSETTS

JAMES BAZZINOTTI, DIRECTOR PACE



Certificate of Completion

is hereby granted to

Jason Lucontomi

Who has successfully completed the 8 hour Seminar

Investigating Prescription Drug Crimes

April 24, 2013

Hosted by

HIDTA National Meth & Pharmaceutical Initiative

Rich Rosky

Rich Rosky
Assistant Director of Training
HIDTA National Meth &
Pharmaceutical Initiative

J.T. Fallon

J.T. Fallon
Executive Director
New England HIDTA

NEHIDTA

Sgt. Lucentoni

BLUELINE SPECIALIZED TRAINING



CERTIFICATE OF ATTENDANCE

For the one-day seminar titled

"TRENDS OF TERRORISM"

Hosted by the Cambridge Police Department
October 16, 2012
0900—1700

Patrick J. W. Chagnon

PATRICK J.W. CHAGNON
PRESIDENT



INSTRUCTOR SIGNATURE
LLEWELLYN ROWE JR.

10/16/2012

DATE

Sgt. Lulontoni

CERTIFICATE OF ATTENDANCE

THE HOLDER OF THIS CERTIFICATE HAS SUCCESSFULLY COMPLETED THE FOLLOWING TRAINING:

ASSET FORFEITURE:
FEDERAL PROCEDURE, LAW ENFORCEMENT TECHNIQUES,
AND OTHER ISSUES

October 13, 2011

UNITED STATES DISTRICT COURT, JURY ASSEMBLY ROOM
55 Pleasant Street, Concord, NH 03301


JOHN P. KACAVAS
UNITED STATES ATTORNEY

10.31.11
Date

St. Petersburg College

SOUTHEASTERN PUBLIC SAFETY INSTITUTE

MCTFT

This is to certify that

Jason Lucontoni

has satisfactorily completed the following

8-hour training at:

Methuen, MA

Pharmaceutical Drug Investigations

Training Completed this Twelfth Day of July, Two Thousand Eleven



William D. Law Jr.
President, St. Petersburg College

Ellen LaHue
Executive Director
SPC Center for Public Safety Innovation

James C. Baul Jr.
Campus Executive Officer, SPC Allstate Center

Northeast Counterdrug Training Center

This is to recognize

JASON LUCONTONI

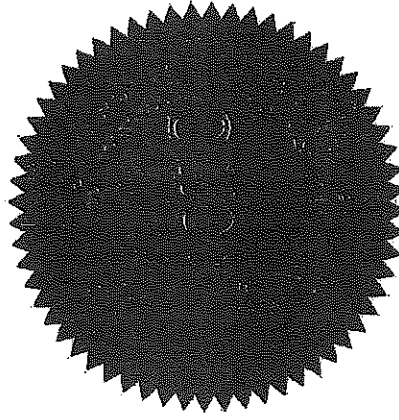
*for successfully completing
the requirements of*

Undercover Risk Analysis

(16 Hours)

Conducted at
Concord, NH

September 08-09, 2010



Christopher D. Latchford
Christopher D. Latchford
Colonel, U.S. Army Retired
NCTC Executive Director

Steve Todonic
Steve Todonic
Lead Instructor

Institute of Police Technology and Management

UNIVERSITY OF NORTH FLORIDA

This is to certify that

JASON LUCONTONI

has successfully completed the training course
CONCEALMENT AREAS WITHIN A VEHICLE

teleconferenced courses conducted in Concord, Keene, Littleton and
Portsmouth, New Hampshire

January 23-24, 2008


COURSE DIRECTOR




IPTM DIRECTOR





Multijurisdictional Counterdrug Task Force Training

This is to certify that

Jason Lucontoni

Has satisfactorily completed the following 24 hour MCTFT training course held at

METHUEN, MA

Supervising Counterdrug Operations

Training held 3/18/2008 through 3/20/2008

Carol W. Woodward
President
St. Petersburg College

Eileen Lahaie
Eileen Lahaie
MCTFT Director

A partnership between The Florida National Guard and St. Petersburg College



Multijurisdictional Counterdrug Task Force Training

This is to certify that

Jason Lucontoni

Has satisfactorily completed the following 24 hour MCTFT training course held at

METHUEN, MA

Domestic Drug Interdiction

Training held 7/30/2008 through 8/1/2008

Carl W. Woodward
President
St. Petersburg College

Eileen LaHaie
Eileen LaHaie
MCTFT Director

A partnership between The Florida National Guard and St. Petersburg College

State of New Hampshire
Police Standards and Training Council

THIS IS TO CERTIFY THAT

Jason Lucontoni

has successfully completed the New Hampshire Recruit Academy
and is qualified pursuant to RSA 188-F to be a

Full Time Police Officer

in the

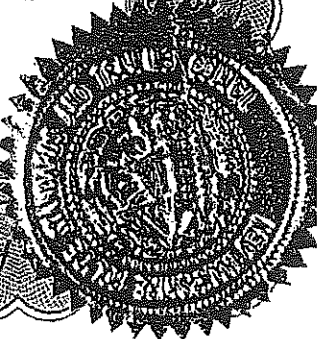
STATE OF NEW HAMPSHIRE

Given under our hands and seal this 15th day of July, of 19 94

John D. Morton
Chairman



Stephen J. Lanning
Director



Police Standards and Training Council

THIS IS TO CERTIFY THAT

Jason Lucontoni

is qualified pursuant to RSA 188-F to be a

Part Time Police Officer

in the

STATE OF NEW HAMPSHIRE

given under our hands and seal this 15th day

of July , 19 94 .

John D. Morton
Chairman

Edna. Loring
Director

State of New Hampshire
Police Standards and Training Council

HEREBY CERTIFIES THAT

Jason Lucontoni

HAS SUCCESSFULLY COMPLETED

THE NEW HAMPSHIRE RECRUIT ACADEMY

HELD AT

FROM 04-25-94 TO 07-15-94

John A. Morton
CHAIRMAN

Edmund J. [Signature]
DIRECTOR

State of New Hampshire
Police Standards and Training Council

THIS IS TO CERTIFY THAT

Jason Lucontoni
HAS SUCCESSFULLY COMPLETED THE

**Enhanced Basic Program
of the 103rd NH Police Academy**

FROM April 25, 1994 TO July 15, 1994



John S. Morton
CHAIRMAN

Edmund J. Lawrence
DIRECTOR

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

D.

Review and Potential Approval of Amendment to Wenham Pines Host Community Agreement

Miranda Gooding

(15 minutes)

- Draft Motion
- Proposed Amendment to the Amended and Restated Host Community Agreement between the Trustees of the Flynn Family Enterprises Irrevocable Trust, the Town of Wenham and Wenham Pines, LLC
- Email regarding Wenham Pines from Peter Lombardi, Town Administrator, March 18, 2019
- Email regarding Wenham Pines from Amy E. Kwesell, Esq., KP Law, November 1, 2018
- Email regarding Wenham Pines HCA from Amy E. Kwesell, Esq., KP Law, February 20, 2019
- Amended and Restated Host Community Agreement between the Trustees of the Flynn Family Enterprises Irrevocable Trust, the Town of Wenham and Wenham Pines, LLC

BOARD OF SELECTMEN MEETING

March 19, 2019

DRAFT MOTION

Wenham Pines Host Community Agreement

- Vote: I move to approve the proposed Amendment to the Amended and Restated Host Community Agreement between the Flynn Family Ventures, LLC, the Town of Wenham and Wenham Pines, LLC.

Seconded / Discussion/ Vote

Return to:

(SPACE ABOVE THIS LINE RESERVED FOR REGISTRY OF DEEDS USE)

**AMENDMENT TO THE AMENDED AND RESTATED
HOST COMMUNITY AGREEMENT**

THIS AMENDMENT TO THE AMENDED AND RESTATED HOST COMMUNITY AGREEMENT (this "Amendment") is made and entered into as of this ____ day of _____, 2019 and shall amend that certain Amended and Restated Host Community Agreement executed March 3, 2017, to be effective as January 12, 2016 and recorded with the Essex South Registry of Deeds in Book _____, Page ____ (the "HCA"), made by **Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust**, u/d/t dated October 23, 2003, a certificate of which Trust is recorded with the Essex South Registry of Deeds in Book 36742, Page 236 (collectively, the "Original Declarant"), having an address of 5 Barker Road, Boxford, Massachusetts 01921, **Wenham Pines, LLC**, a Massachusetts limited liability company, having an address of Six Kimball Lane, Suite 300, Lynnfield, MA 01940 (the "Developer"), and the **Town of Wenham** (the "Town"), a municipal corporation, having an address of 138 Main Street, Wenham, MA 01984. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the HCA.

WHEREAS, the Developer intends to develop a residential condominium complex on the Property consisting of up to twenty-four (24) Units (the "Project"); and

WHEREAS, the Original Declarant conveyed approximately eight (8) acres of the Property to the Developer by Deed dated May 23, 2018 and recorded with said Registry of Deeds in Book 36742, Page 281, representing the first phase of the land comprising the Project; and

WHEREAS, the Original Declarant conveyed the remaining portions of the Property to **Flynn Family Ventures, LLC**, a Massachusetts limited liability company ("Flynn LLC") having an address of 5 Barker Road, Boxford, MA 01921, by Deed recorded with said Registry in Book 36742, Page 351, subject to the terms of the HCA; and

WHEREAS, certain Units in the Project will be restricted to be sold to persons or households whose incomes are below fifty percent (50%) of the regional median household income (the "Affordable Units"), in accordance with the terms of a Regulatory Agreement for between the Town, Developer and the Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development ("DHCD"); and

WHEREAS, in order to comply with DHCD guidelines regarding the Affordable Units, the HCA must be modified so that it does not exclude persons 18 years of age or younger from occupying the Affordable Units; and

WHEREAS, Developer, Town and Flynn LLC (as successor in title to the Original Declarant) agree that the HCA shall be amended to comply with the DHCD guidelines and to substitute Flynn LLC as the Declarant thereunder.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, the parties agree to modify the HCA as follows:

1. All references to the "Declarant" in the HCA shall be deemed to mean Flynn LLC, together with its successors and assigns in title to the Property.
2. Section 3(a) of the HCA shall be deleted in its entirety and replaced with the following Section 3(a) (*with the italicized text indicating the amendment*):

3(a) "The dwelling units in the Project may be developed in a combination of single-family, two-family and/or multi-family structures, and the final unit count shall be established in accordance with Section 11.1.10 of the By-Law. The Developer estimates the range of unit count to be between 23 and 28 units. All dwelling units in the Project shall be subject to a restriction requiring that there be in residence at least one person who has reached the age of 55 (*referred to as a "Qualified Occupant"*). *No dwelling unit shall be occupied by any person under the age of eighteen (18), except that: (i) persons under the age of eighteen (18) shall be permitted as visitors to a dwelling unit on a temporary basis not to exceed three (3) months in any nine (9) month period, and (ii) persons under the age of eighteen (18) shall be permitted to reside in the Affordable Units as a member of the Qualified Occupant's household.. The term "Affordable Units" shall mean those dwelling units that are permanently restricted to be sold to persons or households whose incomes are below fifty percent (50%) of the regional median household income, in accordance with the terms of a Regulatory Agreement between the Town, Developer and the Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development to be recorded with the Essex South Registry of Deeds."*

3. As modified by this Amendment, the HCA is hereby ratified and confirmed in all respects.

Executed as an instrument under seal this _____ day of _____, 2019.

SELLER:

FLYNN FAMILY VENTURES, LLC,
a Massachusetts limited liability company

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On this ____ day of _____, 2019, before me, the undersigned Notary Public, personally appeared the above-named, _____, Manager of Flynn Family Ventures, LLC who signed the foregoing document and proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed above and who acknowledged to me that he/she signed it voluntarily for its stated purpose on behalf of said company.

Notary Public

My commission expires:

DEVELOPER:

WENHAM PINES, LLC,
a Massachusetts limited liability company

By: _____
Robert F. Tambone, Manager

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On this ____ day of _____, 2019, before me, the undersigned Notary Public, personally appeared the above-named, Robert F. Tambone, Manager of Wenham Pines, LLC, a Massachusetts limited liability company, who signed the foregoing document and proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed above and who acknowledged to me that he signed it voluntarily for its stated purpose on behalf of said company.

Notary Public
My commission expires:

TOWN:

TOWN OF WENHAM

By its Board of Selectmen, by a vote duly taken at a posted meeting on _____, 2019.

Catherine Harrison

Jack Wilhelm

John Clemenzi

COMMONWEALTH OF MASSACHUSETTS

Essex, ss.

On this ____ day of _____, 2019, before me, the undersigned Notary Public, personally appeared the above-named _____, a member of the Town of Wenham Board of Selectmen, who signed the foregoing document and proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed above and who acknowledged to me that s/he signed it voluntarily for its stated purpose on behalf of the Town of Wenham.

Notary Public
My commission expires:

From: [Peter Lombardi](#)
To: [Catherine Harrison](#); [John Clemenzi](#); [Jack Wilhelm](#)
Cc: [Nicole Roebuck](#); ultrafinepapers@yahoo.com
Subject: FW: Wenham Pines - Affordable Documents
Date: Monday, March 18, 2019 5:01:16 PM

All,

See below. I just wanted you to know that Tony Tambone will be at your meeting tomorrow night to answer any questions that you have about the two agenda items related to Wenham Pines. Also, Miranda has answered a few pertinent questions about the affordable units.

Peter

Peter Lombardi
Town Administrator

138 Main Street
Wenham, MA 01984
978-468-5520 x.2
<http://wenhamma.gov>

From: Miranda Gooding [<mailto:mgooding@glovsky.com>]
Sent: Monday, March 18, 2019 4:55 PM
To: Peter Lombardi; Margaret Hoffman; 'Amy E. Kwesell'
Cc: 'Anthony Tambone'
Subject: RE: Wenham Pines - Affordable Documents

Hi Peter, Amy and Margaret,

Tony Tambone is going to attend tomorrow evening's Board of Selectmen meeting. Given that the Amendments to the Age Restriction and HCA are being requested to comply with DHCD at Town counsel's suggestion, I assume that tomorrow night's discussion of those items should be straightforward, and we're grateful to the Town for facilitating.

With respect to the LAU Application, this is also a standard form and merely presents the same information that has been approved in the format required by DHCD to start its internal approval process.

With regard to the questions below, please see the following:

(1) Section 11.1.9 of the Flexible Development Bylaw requires different levels of affordable housing in each project depending on the level of affordability that an applicant is willing to provide. If an applicant provides units for low income families (i.e. 50% AMI or lower) , then the required percentage of units is 10%; if the units are provided to moderate income families, then there must be at least 15% affordable units in the project. Wenham Pines opted for the lower percentage, at 50% AMI. This was approved and a condition of the Special Permit from the Planning Board.

(2) The deed restriction for affordability is going to be recorded as a condition to the first sale in the

project and will be operative at that point, permanently restricting the farmhouse for affordable use. As you point out, the terms of the special permit do not require the affordable units to be constructed until prior to the 10th market rate unit is sold, but the obligation to set aside affordable units will be preserved and will be binding upon any future owner of the project, and would prevent the farmhouse from being used for any other purpose.

Tony can share with the Board his current time frame for closing on the next phase of land, etc. when he appears tomorrow night. I know they are pleased with the current progress and looking forward to preparations for the first phase to be completed this summer, or sooner.

Please feel free to call if you have any questions.

Miranda

Miranda Gooding
Direct Line: 978.720.3122

From: Peter Lombardi <PLombardi@wenhamma.gov>
Sent: Monday, March 18, 2019 2:28 PM
To: Miranda Gooding <mgooding@glovsky.com>; Margaret Hoffman <MHoffman@wenhamma.gov>; 'Amy E. Kwesell' <AKwesell@k-plaw.com>
Cc: 'Anthony Tambone' <atambone@atlantictambone.com>
Subject: RE: Wenham Pines - Affordable Documents

Just following up on this email from last week....

Miranda, will you be able to attend tomorrow night's BOS meeting? I know Tony plans to be there but wasn't sure if you were available or not.

Also, two questions about the LAU application materials:

1. Was there a particular reason why eligibility for these units is set at 50% AMI? Was that figure a recommendation of the Planning Board or did it come from you?
2. Given all of the various timelines and contingencies in terms of phased acquisition/development, what happens to the 2 affordable units if the project does not move forward to the point where a occupancy permit for the 10th unit is issued? Big picture, is there anything that you can share in terms of an approximate timeframe for when these units may be developed?

Thanks again,
Peter

Peter Lombardi
Town Administrator

138 Main Street
Wenham, MA 01984
978-468-5520 x.2
<http://wenhamma.gov>

From: Peter Lombardi
Sent: Thursday, March 14, 2019 2:46 PM
To: 'Miranda Gooding'; Margaret Hoffman; Amy E. Kwesell
Cc: Anthony Tambone
Subject: RE: Wenham Pines - Affordable Documents

Hello Miranda,
Are you available to attend next Tuesday night's Board of Selectmen meeting where they will be reviewing both the minor amendment to the HCA to ensure the affordable units are on the SHI as well as the LAU application? I don't expect much in the way of questions but figured it would be better to address both of these items at once in case anything came up.

Tony, of course you and anyone else are more than welcome to attend as well.

Thanks,
Peter

Peter Lombardi
Town Administrator

138 Main Street
Wenham, MA 01984
978-468-5520 x.2
<http://wenhamma.gov>

From: Miranda Gooding [<mailto:mgooding@glovsky.com>]
Sent: Monday, February 25, 2019 6:07 PM
To: Margaret Hoffman; Peter Lombardi; Amy E. Kwesell
Cc: Anthony Tambone
Subject: Wenham Pines - Affordable Documents

Margaret, Peter and Amy,

I am attaching for your reference a copy of correspondence being sent by overnight delivery to Margaret relating to the LAU Application for the Wenham Pines affordable units.
Please feel free to call me if you have any questions regarding the enclosed.

It is my hope that we can advance the various amendments to the Age Restriction, along with the LAU Application at the Board of Selectmen level, and that the Special Permit Amendment (and

corresponding Amendment to the Age Restriction and Condo Documents can be ratified by the Planning Board. I know that Amy is working with Margaret to coordinate those meetings.

Please let me know if there is any information that you need to proceed.

Thank you very much,
Miranda



Miranda P. Gooding, Esq.

Glovsky & Glovsky LLC

8 Washington Street

Beverly, MA 01915

Tel: 978.720.3122

Fax: 978.720.3181

mgooding@glovsky.com | www.glovsky.com

WIRE FRAUD ALERT: If you receive an e-mail containing wiring instructions or other funding directions, you must confirm those instructions with our office by telephone. Cybercrime is on the rise and hackers are targeting e-mail accounts of attorneys, businesses and professionals in order to initiate fraudulent wire transfers. Never initiate a wire without first confirming the instructions are correct.

This message and any attachments are intended only for the use of the intended recipient and may contain information that is PRIVILEGED and CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please delete all copies of this message and any attachments and notify us immediately. Thank you.

Peter Lombardi

From: Amy E. Kwesell <AKwesell@k-plaw.com>
Sent: Thursday, November 01, 2018 6:40 PM
To: Peter Lombardi
Subject: Fwd: Wenham Pines

Follow Up Flag: Follow up
Flag Status: Flagged

FYI below.

Amy E. Kwesell, Esq.
KP Law
[Akwesell@k-plaw.com](mailto:AKwesell@k-plaw.com)

Begin forwarded message:

From: Miranda Gooding <mgooding@glovsky.com>
Date: November 1, 2018 at 6:06:25 PM EDT
To: "Amy E. Kwesell" <AKwesell@k-plaw.com>
Cc: Michael Dissette <mdissette@glovsky.com>
Subject: RE: Wenham Pines

Hi Amy,

Apologies for the late response on this. The Tambones are fine with the incorporating the policy into the documents. They are looking to start working on the inclusionary documents toward the end of the year and hopefully we could time everything to address all of these issues at once.

Thanks,
Miranda

From: Amy E. Kwesell <AKwesell@k-plaw.com>
Sent: Friday, October 26, 2018 11:57 AM
To: Miranda Gooding <mgooding@glovsky.com>
Cc: Michael Dissette <mdissette@glovsky.com>
Subject: RE: Wenham Pines

Hi Miranda,
I would be happy to revise recorded Age Restriction.
Let me know if the Tambones are okay with this and I will start revising.
Thanks so much,
Amy

From: Miranda Gooding [<mailto:mgooding@glovsky.com>]
Sent: Friday, October 19, 2018 5:04 PM
To: Amy E. Kwesell <AKwesell@k-plaw.com>

Cc: Michael Dissette <mdissette@glovsky.com>

Subject: RE: Wenham Pines

Hi Amy,

I am sorry to be so late getting back to you – it was that kind of week.

We will be happy to work with the Town on this and the timing is pretty good as we need to start working to put together our LAU application to get the form of Regulatory Agreement and marketing plan approved so that we can record the Regulatory Agreement in advance of first unit occupancy.

I think we will need to do the following:

1. Selectmen vote to amend HCA and/or acknowledge that DHCD policy trumps the approved restriction – as owner, I'm not concerned about a recordable amendment to HCA per se;
2. Amend recorded Age Restriction – the Town can memorialize the change by signing off on an amended Restriction;
3. Amend approved Condo Docs;
4. Prepare the marketing materials in keeping with the policy.

I just took a look at the Special Permit decision and it does not call out under 18 provision that was in the HCA so I don't believe it needs to be amended; however the Planning Board will need to bless the revisions to the Condominium Documents and Age Restriction, which I think they should be able to do without a public hearing. Do you want to take a stab at amending the recorded Age Restriction and I will work on Condo Docs?

I will touch base with the Tambones and be in touch next week to follow up.

Miranda

From: Amy E. Kwezell <AKwezell@k-plaw.com>

Sent: Tuesday, October 16, 2018 11:45 PM

To: Miranda Gooding <mgooding@glovsky.com>; Miranda Gooding <mgooding@glovsky.com>

Cc: 'Peter Lombardi' <PLombardi@wenhamma.gov>

Subject: Wenham Pines

Miranda,

I hope you are well. As you may know, on February 1, 2018, the Department of Housing and Community Development ("DHCD") confirmed a policy regarding over 55 housing and units qualifying for the Subsidized Housing Inventory ("SHI") (attached). DHCD will not count a unit on the Town's SHI if it restricts persons under 18 years of age. I spoke with Margaux LeClair at DHCD and she confirmed that conditions on affordable units may still require one resident to be over 55 years of age but the affordable units may not restrict persons younger. I note that the policy does not apply to the market rate units. Wenham Pines has two affordable units and due to the DHCD Policy, I am requesting that we work to revise the Decision, Host Community Agreement and Condominium Documents to insure the two required affordable units be eligible for the Town's SHI. The Town recognizes the inconvenience to the Applicant and will do what it can to make this minor revision process as easy as possible, including waiving any applicable fees. Please let me know when you are available to discuss so we can start to amend the applicable permits and documents.

Best regards,

Amy

Amy E. Kwesell, Esq.

KP | LAW

101 Arch Street, 12th Floor

Boston, MA 02110

O: (617) 654 1811

F: (617) 654 1735

C: (857) 378 9218

akwesell@k-plaw.com

www.k-plaw.com

This message and the documents attached to it, if any, are intended only for the use of the addressee and may contain information that is PRIVILEGED and CONFIDENTIAL and/or may contain ATTORNEY WORK PRODUCT. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please delete all electronic copies of this message and attachments thereto, if any, and destroy any hard copies you may have created and notify me immediately.

Peter Lombardi

From: Amy E. Kwesell <AKwesell@k-plaw.com>
Sent: Wednesday, February 20, 2019 4:12 PM
To: Peter Lombardi
Cc: Lauren F. Goldberg; Mark R. Reich
Subject: Re: WENH/Wenham Pines/Amendment to HCA

Yes. She made no changes to our documents. I spoke with Margaux LeClair at DHCD and she said this fix will get the units on the SHI.

Amy

Amy E. Kwesell, Esq.
KP Law
direct 617-654-1811
mobile 857-378-9218
[Akwesell@k-plaw.com](mailto:AKwesell@k-plaw.com)

On Feb 20, 2019, at 4:06 PM, Peter Lombardi <PLombardi@wenhamma.gov> wrote:

Thanks Amy. Assuming we get their LIP application in the near future, we can plan to have all of this go before the BOS at their March 19 meeting. It would be good to have the developers there to answer any questions that may come up. Are you fine with everything she has proposed as is?

Peter Lombardi
Town Administrator

138 Main Street
Wenham, MA 01984
978-468-5520 x.2
<http://wenhamma.gov>

From: Amy E. Kwesell [<mailto:AKwesell@k-plaw.com>]
Sent: Wednesday, February 20, 2019 9:13 AM
To: Peter Lombardi
Cc: Lauren F. Goldberg; Mark R. Reich
Subject: FW: WENH/Wenham Pines/Amendment to HCA

Peter,
Please see below.
I know you are preparing for Town Meeting, but let me know if you have an anticipated time frame for amending the attached documents.
Thank you,
Amy

From: Miranda Gooding [<mailto:mgooding@glovsky.com>]
Sent: Wednesday, February 20, 2019 8:51 AM
To: Amy E. Kwesell <AKwesell@k-plaw.com>

Cc: Anthony Tambone <atambone@atlantictambone.com>; Michael Dissette <mdissette@glovsky.com>
Subject: FW: WENH/Wenham Pines/Amendment to HCA

Hi Amy,

As a follow-up to our recent e-mail, I am writing to confirm that the attached amendments to the HCA, Age Restriction and Planning Board Decision can all be finalized.

I've made a suggested revision to the Planning Board's proposed vote to bless corresponding amendments to the Master Deed and RA to the extent applicable.

Please let me know projected timing and whether you need the applicant to appear before the Board of Selectmen or not.

As a heads up, we will be filing the LIP Application with the Town this week or early next week, so it may be that these items can be addressed together.

We will send you a copy of the Application as well in case there are any questions about that – it would be great to get them all approved at the same meeting(s) so that the LIP Application can be signed by the Board of Selectmen and forwarded to DHCD for review.

Thank you,
Miranda

Miranda Gooding
Direct Line: 978.720.3122

From: Miranda Gooding
Sent: Wednesday, February 6, 2019 7:04 PM
To: Amy E. Kwesell <AKwesell@k-plaw.com>
Cc: Anthony Tambone <atambone@atlantictambone.com>
Subject: RE: WENH/Wenham Pines/Amendment to HCA

Hi Amy,

Thank you for preparing the Amendments. I attach some minor cleanup edits to the HCA Amendment for your review. The Special Permit Amendment looks fine.

I will need to check in with my client next week to determine if there are any other clean up amendments to the condominium documents that we should address at the same time that we go to the Board on this matter, and also to review the final form of the amendments once you and I are in agreement.

I'm out of the office for the remainder of this week, but will check back in with you next week.

Thank you for your assistance with this.

Miranda

From: Amy E. Kwesell <AKwesell@k-plaw.com>
Sent: Monday, February 04, 2019 5:06 PM
To: Miranda Gooding <mgooding@glovsky.com>
Subject: WENH/Wenham Pines/Amendment to HCA

Hi Miranda,
Here is the draft Amendment to the HCA for your review.
Thanks,
Amy

Amy E. Kwesell, Esq.

KP | LAW

101 Arch Street, 12th Floor

Boston, MA 02110

O: (617) 654 1811

F: (617) 654 1735

C: (857) 378 9218

akwesell@k-plaw.com

www.k-plaw.com

This message and the documents attached to it, if any, are intended only for the use of the addressee and may contain information that is PRIVILEGED and CONFIDENTIAL and/or may contain ATTORNEY WORK PRODUCT. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please delete all electronic copies of this message and attachments thereto, if any, and destroy any hard copies you may have created and notify me immediately.

Return to:

(SPACE ABOVE THIS LINE RESERVED FOR REGISTRY OF DEEDS USE)

AMENDED AND RESTATED HOST COMMUNITY AGREEMENT

THIS AGREEMENT, having an effective date of January 12, 2016 (the "Effective Date") is made by and between the following parties (the "Parties"): (i) the **Town of Wenham** (the "Town"), acting by and through its board of Selectmen, (ii) **Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn**, as **Trustees of The Flynn Family Enterprises Irrevocable Trust**, u/d/t dated October 23, 2003, a certificate of which Trust is recorded with the Essex South Registry of Deeds herewith (collectively, the "Trustees"), and (iii) **Wenham Pines, LLC**, a Massachusetts limited liability company ("Wenham Pines").

RECITALS:

WHEREAS, the Town is a party to that certain unrecorded Host Community Agreement dated as of January 12, 2016, together with Janice L. Flynn, as Personal Representative of the Estate of William J. Flynn, along with its successors and assigns ("Flynn Estate"), as Seller, and Atlantic Tambone, Inc., a Massachusetts corporation (the "Atlantic Tambone"), as Developer, which agreement is amended by instruments dated February 2, 2016 and July 20, 2016 (collectively, as amended, the "HCA").

WHEREAS, the HCA includes certain terms and conditions binding upon the parties thereto, their successors and assigns, and also upon the real property known as **56-60 Main Street, Wenham, Essex County, Massachusetts** and more particularly described in **Schedule A** attached hereto ("Lakeview"); and

WHEREAS, the Trustees have been declared to be the owners of Lakeview, pursuant to the Judgment issued in the matter of *Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust v. Janice L. Flynn, Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The William J. Flynn Trust, Essex County Probate Court, Docket #ES16E0167QC*, a copy of which is attached hereto as **Exhibit B**;

WHEREAS, as a result of the above-referenced Judgment, the undersigned parties wish to substitute the Trustees as the "Seller" named in the HCA, and to ratify and confirm that the Trustees have agreed to assume the rights and obligations of Seller under the HCA, retroactively to the Effective Date; and

WHEREAS, Atlantic Tambone has exercised its right to designate Wenham Pines, LLC, a Massachusetts limited liability company, as an affiliated entity to take title to Lakeview, and the Parties wish to substitute Wenham Pines as the "Developer" named in the HCA, and ratify and confirm that Wenham Pines has agreed to assume the rights and obligations of Developer under the HCA, retroactively to the Effective Date;

NOW THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable considerations, the receipt of which is hereby acknowledged, the Parties, on behalf of themselves, their successors and assigns, hereby agreed to **AMEND AND RESTATE** the terms of the HCA in their entirety in order to accomplish the foregoing substitutions and to bind the Parties and Lakeview as fully and completely as if the Trustees and the Wenham Pines were the Seller and Developer parties named in the HCA, as follows:

HOST COMMUNITY AGREEMENT

This Host Community Agreement (the "HCA") is entered into as of January 12, 2016, and ratified as of the date executed below, by and between the (i) Town of Wenham (the "Town"), acting by and through its Board of Selectmen, (ii) Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust, u/d/t dated October 23, 2003, a certificate of which Trust is recorded with the Essex South Registry of Deeds herewith, along with their successors and assigns (collectively, "Seller") having a notice address at 5 Barker Road, Boxford, Massachusetts 01921, on behalf of themselves, their successors and assigns, and, (iii) Wenham Pines, LLC, a Massachusetts limited liability company, and its successors and assigns, including any affiliate designated by it to acquire title to the whole or any portion of Lakeview (as hereinafter defined) ("Developer"). This HCA represents the understanding between the Town, the Seller and the Developer (the "Parties") with respect to a Notice of Intent to Convert to Other Use Pursuant to M.G.L. c. 61B, §9 (attached as **Exhibit A**) and the agreement by the Town to support the development described below.

RECITALS

WHEREAS the Seller owns and intends to sell to the Developer a parcel of land known as Lakeview Golf Course ("Lakeview"), located at 56-60 Main Street, containing approximately 32.4 acres, and shown on Wenham Assessors Map #27 as parcels 36 and 44, and as further described in that certain Judgment issued in the matter of *Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust v. Janice L. Flynn, Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The William J. Flynn Trust, Essex County Probate Court, Docket #ES16E0167QC*, a copy of which is attached hereto as **Exhibit B**; a part of which is subject to a Recreational Land Tax Lien recorded with the same Registry in Book 11572, Page 147 and attached hereto as **Exhibit C**.

WHEREAS the Seller and Developer propose to convert the use of a portion of Lakeview and develop a residential condominium complex more particularly described in Section 1 below (herein, the "Project").

WHEREAS a portion of Lakeview is subject to the Town's Right of First Refusal under M.G.L. c.61B, §9.

WHEREAS the Town must, by February 15, 2016, send to the Seller either notice that the Seller's Notice of Intent to Convert to Other Use is deficient, or an appraisal of the portion of Lakeview that is subject to M.G.L. c. 61B, §9.

WHEREAS the Town possesses a material interest in exercising its Right of First Refusal to purchase the land subject to M.G.L. c.61B and will only consider electing to forego its right at this time provided Lakeview is developed as a "Flexible Development" pursuant to section 11.1 of the Zoning By-laws and in consideration of the other agreements with the Seller and the Developer outlined below.

WHEREAS the development of Lakeview as a "Flexible Development" is anticipated to take significantly longer than the time by which the Town must act pursuant to M.G.L. c. 61B, §9.

WHEREAS the Parties therefore wish to toll the time by which the Town must respond to the Seller's Notice of Intent to Convert to Other Use as herein provided.

WHEREAS the Seller and the Developer wish to enter into this non-regulatory HCA with the Town to memorialize their commitments through the alternate means discussed herein.

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable considerations, the receipt of which is hereby acknowledged, the Parties, on behalf of themselves, their successors and assigns, hereby covenant and agree as set forth herein.

1. The initial term within which the Town may respond to the Seller's Notice of Intent to Convert to Other Use by either (a) sending notice that the Seller's Notice of Intent to Convert to Other Use is deficient, or (b) providing an appraisal of the portion of Lakeview that is subject to M.G.L. c. 61B, §9 was extended through February 15, 2016.

2. The Parties have agreed that the time within which the Town must respond to the Seller's Notice of Intent to Convert to Other Use shall be further tolled until the Seller or Developer sends written notice that it has obtained all permits and approvals for a Flexible Development pursuant to Section 7, in which case the lien shall be released as provided for therein, or the Seller or Developer provides written notice that it is reactivating the Notice of Intent to Convert to Other Use pursuant to Section 8, in which case the Town may pursue its options as outlined therein.

3. The Developer shall develop Lakeview only as a residential "Flexible Development," pursuant to section 11.1 of the Zoning By-laws of the Town of Wenham. Lakeview shall be developed substantially within the parameters shown on a plan entitled: "Proposed Flexible Development Layout Plan" prepared, signed and stamped by Vaclav Talacko, Professional Engineer, dated December 7, 2015, as revised through June 24, 2016, attached hereto as **Exhibit D** (the "Project Plan"), subject to the following terms and conditions:

a) The dwelling units in the Project may be developed in a combination of single-family, two-family and/or multi-family structures, and

the final unit count shall be established in accordance with Section 11.1.10 of the By-Law. The Developer estimates the range of unit count to be between 23 and 28 units. All dwelling units in the Project shall be subject to a restriction requiring that there be in residence at least one person who has reached the age of 55, and that no resident (which shall not include periodic visits by those staying three months or less in any nine month period) may be under the age of 18.

b) All new buildings in the Project shall be sited within the areas shown as "Development Areas" on the Project Plan. No buildings or improvements (other than roadways and underground utilities in accordance with the By-Law) shall be developed outside of the Development Areas.

c) A minimum setback of 500 feet shall be maintained between Route 1A and any of the new homes in the Project. The foregoing setback shall not apply, however, to any reconstruction, alteration or addition to the existing structures in Lakeview within the designated Development Areas shown on the Project Plan. The Developer shall retain the discretion to retain, modify, expand, demolish or reconstruct, in whole or in part, said existing structures as part of the Project, subject to the terms and conditions of the Required Permits (as that term is defined below).

d) A minimum of forty percent (40%) of Lakeview shall be maintained as contiguous Open Space. The Open Space shall be part of the common areas of the Project and shall be subject to a Conservation Restriction. This Conservation Restriction shall be provided in accordance with M.G.L. c.184, §§31-33, shall require that the Open Space be maintained in perpetuity in an open state and used for conservation, preservation of scenic vistas and private recreational use for the benefit of the residents of the Project, and shall otherwise be on terms reasonably acceptable to the Seller and the Developer.

e) It is intended that the roadway serving the development shall be constructed in the approximate configuration of the "Roadway" shown on the Project Plan.

f) The Project shall comply with all other applicable requirements of the Flexible Development By-Law, and all other state and local laws, ordinances, policies, and regulations governing the property, including without limitation, those pertaining to water conservation, wetlands, zoning matters, historic preservation, subdivision control, curb cuts and stormwater management.

g) The Project may be developed in phases.

h) The Parties acknowledge that the Project Plan has been prepared without the benefit of full engineering and design review. Therefore, the exact location and boundaries of the Development Areas, Open Space and Roadway are subject to refinement during the design and permitting phase.

4. The Developer shall not develop Lakeview under any otherwise allowable statute or by-law, including, but not limited to: M.G.L. c.40B, M.G.L. c.41, §§81K-GG (by right subdivision under the *Subdivision Control Law*), or any other development scheme that would otherwise be allowed or allowable under the Zoning By-laws of the Town of Wenham; *provided, however*, that this restriction shall not be deemed to restrict the Developer's ability to subdivide Lakeview under c.41, §§81K-GG, where such subdivision is necessary or convenient in conjunction with the financing of the Project, for the purpose of acquiring and developing the premises in multiple phases, and the plans and approvals for such phased acquisitions shall be deemed to be included within the Required Permits described below.

The Town further agrees that this Agreement shall not prohibit the Developer or its successors and assigns from proposing modifications to the Project after it is approved provided that such modifications are allowable under the Flexible Development By-Law as the same may be amended from time to time.

Notwithstanding the restriction contained in this Section 4, if the holder of record of a first mortgage granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional or governmental lender shall acquire the Project by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Project in lieu of foreclosure, and provided that the holder of such mortgage has given the Town not less than ninety (90) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Project in lieu of foreclosure or other remedial action, and the Town has failed within such ninety (90) days to locate a purchaser for the Project who is capable of completing construction and development of the Project for the uses permitted under this Agreement and the Required Permits and who is reasonably acceptable to such mortgage holder, then the rights and restrictions herein contained shall not apply to such mortgage holder upon such acquisition of the Project or to any purchaser of the Project from such mortgage holder, and the Project shall thereafter be free from this restriction.

5. The parties acknowledge that the ultimate development of Lakeview as a Flexible Development depends, in part, on matters not presently within the Developer's full control (i.e. the Developer needs to obtain financing, and permits that have not been applied for yet). Nothing contained in Section 3 or Section 4 will be construed so as to obligate the Developer to actually construct a Flexible Development on the ground; these Sections instead serve to eliminate the availability of alternative forms of development.

6. The Developer shall implement all water conservation measures proscribed by the Wenham Water Department.

7. At such time as the Developer has received a Flexible Development Special Permit and all other necessary permits and approvals for the development described in Section 3 above, and all appeal periods have run, it shall send written notice of same to the Town. Within 10 days after receipt of such written notice, the Town shall issue to the Seller/Developer a Notice of Non-Exercise of its Right of First Refusal to remove the lien identified in Exhibit C and to release Lakeview from all rights to purchase under M.G.L. c. 61B §9 in the form attached hereto as Exhibit E. It is understood and agreed that in the event of any inconsistency between the terms of the Flexible Development Special Permit and the terms of this Agreement, the terms of the Flexible Development Special Permit shall control and that the issuance of a Certificate of Occupancy with respect to any portion of the Project shall constitute certification by the Town that such portion of the Project is in compliance with all applicable terms of this Agreement.

8. The Developer or Seller may provide the Town with written notice that it is reactivating the Notice of Intent to Convert to Other Use attached as Exhibit A. This notice may be provided upon a denial of the Flexible Development Special Permit or any other necessary permit and approval for the Project described in Section 3 (the "Required Permits"), or if the Developer or Seller, for any reason, wishes to restart the M.G.L. c.61B, §9 process.

Upon receipt by the Town of such reactivation notice, the Town, within 20 days of receipt thereof, shall either: send notice to the Seller challenging the sufficiency of the Notice of Intent to Convert to Other Use, or shall send to the seller a copy of the Town's appraisal of the property subject to M.G.L. c. 61B, §9 (the Original Appraisal), the Seller shall have 20 days to notify the Town (the "Seller's Notice") that Seller is dissatisfied with the Original Appraisal and shall have an additional 30 days after delivery of the Seller's Notice to submit to the Town a second appraisal of the fair market value of the property subject to M.G.L. c. 61B, §9 (the "Second Appraisal") prepared by an appraiser selected by Seller at Seller's sole cost and expense. If within 30 days after the submission of the Second Appraisal to the Town, the Town and the Seller cannot agree on the fair market value of the land that is subject to M.G.L. c. 61B, §9, the Town and the Seller will jointly contract with a third mutually acceptable appraiser for a third appraisal of the fair market value of such land (the "Third Appraisal"), the cost of which will be borne equally by both the Town and the Seller. The Third Appraisal shall be delivered to the Town and the Seller as promptly as practicable and shall be binding on both Parties as the final determination of the fair market value of the property subject to M.G.L. c.61B, §9.

Upon agreement of a consideration, the Town shall then have 120 days to exercise its option. The Town may exercise the option only after a public hearing followed by written notice signed by the Board of Selectmen, mailed to the Seller by certified

mail at the address specified below. Said notice of exercise shall also be recorded at the Essex County registry of deeds and shall contain the name of the Seller and a description of the property subject to M.G.L. c.61B, §9. The Town shall include with said notice a proposed purchase and sale contract or other agreement between the Town and the Seller which, if executed, shall be fulfilled within a period of not more than 90 days after the date the contract or agreement, endorsed by the Seller, is returned by certified mail to the Board of Selectmen, or upon expiration of any extended period that the Seller has agreed to in writing, whichever is later.

Notwithstanding the foregoing, at any time following receipt of the Original Appraisal until such time as there is a final consideration, the Seller may revoke its Notice of Intent to Convert with no recourse to the Town, the Developer, or the Seller.

9. Upon receipt of the written notice of the reactivation of the Notice of Intent to Convert to Other Use, as provided for in Section 8 above, the Developer and the Seller shall be released from all liability and from all obligations under Sections 3-6 of this Agreement.

In addition, the obligations contained in Section 4 shall automatically terminate upon the issuance of the Certificate of Occupancy for the last unit constructed as a part of the Project under the Flexible Development Special Permit.

In either case, the Town shall issue a certificate to the Seller in recordable form evidencing such termination promptly upon request, but in any event within 20 days of such request.

10. This HCA reflects the entire agreement between the parties. Any prior or simultaneous correspondence, understandings, agreements, and representations are null and void upon execution hereof, unless set out in this HCA.

11. This HCA shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

12. If any term or provision of this HCA, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this HCA, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, then in such event, this HCA shall be deemed void and without recourse to the parties hereto except that any action taken hereunder shall be rescinded by the parties hereto.

13. This HCA may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

14. All notices or requests required or permitted hereunder shall be in writing and addressed, if to the Town as follows:

Peter Lombardi, Town Administrator
Town of Wenham
Wenham Town Hall
138 Main Street
Wenham, MA 01984

With a copy to:

Ilana M. Quirk, Esq.
KP Law
101 Arch Street, 12th Floor
Boston, MA 02110

If to the Developer to:

Wenham Pines, LLC
Six Kimball Lane, Suite 300
Lynnfield, MA 01940

With a copy to:

Miranda P. Gooding, Esq.
Glovsky & Glovsky LLC
Eight Washington Street
Beverly, MA 01915

If to Seller to:

Trustees of The Flynn Family Enterprises Irrevocable Trust
5 Barker Road
Boxford, MA 01921

With a copy to:

Daniel W. Doherty
c/o MacLean Holloway Doherty, P.C.
8 Essex Center Drive
Peabody, MA 01960

Each of the Parties shall have the right by notice to the others to designate additional parties to whom copies of notices must be sent, and to designate changes in address. Any notice shall have been deemed duly given if mailed to such address postage prepaid, registered or certified mail, return receipt requested, on the date

the same is received or when delivery is refused, or if delivered to such address by hand or by nationally recognized overnight courier service, fees prepaid, when delivery is received or when delivery is refused, or if transmitted by facsimile or other electronic means with confirmatory original by one of the other methods of delivery herein described, on the date so transmitted by facsimile or other electronic means.

15. The Developer and/or the Seller may assign their rights and obligations under this HCA to any other party or entity with the written permission of the Town, which shall not be unreasonably withheld, conditioned or delayed. The foregoing provision shall not be in derogation of the Developer's right to designate a nominee to take title to Lakeview or any portion thereof. Furthermore, the Town agrees that it shall not have the right to withhold consent to the Developer's assignment of rights hereunder to the Seller or to any substitute developer having experience with the development of residential projects of comparable size and scale to the Project so long as such developer produces evidence that it has secured construction financing from an institutional lender upon customary terms and conditions.

16. The PARTIES respectively represent and warrant that:

a. Each is duly organized and existing and in good standing, has the full power, authority and legal right to enter into and perform this HCA, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, law, bylaw or regulation, and (ii) do not conflict with, or constitute a default under, any agreement or instrument to which either is a party or by which either party may be bound or affected; and

b. This HCA has been duly authorized, executed and delivered; this HCA constitutes legal, valid and binding obligations of each party, enforceable in accordance with its terms; there is no action, suit or proceeding pending or, to the knowledge of either party, threatened against or affecting either wherein an unfavorable decision, ruling or finding would materially adversely affect the performance of any obligations hereunder, except as otherwise specifically noted in this HCA.

17. If and to the extent that either party is prevented from performing its obligations hereunder by an event of *force majeure*, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties instead shall negotiate in good faith with respect to appropriate modifications to the terms hereof. For purposes of this HCA, the term *force majeure* shall mean the supervening causes described here, each of which is beyond the reasonable control of the affected party: acts of God, fire, earthquake, floods, explosion, actions of the elements, war, terrorism, riots, mob violence, a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation,

laws or orders of governmental or military authorities or any other cause similar to the foregoing, not within the control of such party obligated to perform such obligation.

18. Failure by the Town, the Seller or the Developer to perform any term or provision of this HCA shall not constitute a default under this HCA unless the Town, the Seller or the Developer fails to commence to cure, correct or remedy such failure within thirty (30) days of the receipt of written notice of such failure from a non-breaching Party and thereafter fails to complete such cure, correction or remedy within ninety (90) days of the receipt of such written notice, or, with respect to defaults which cannot be remedied within such ninety (90) day period, within such additional period of time as is required to reasonably remedy such default, if the Town, the Seller or the Developer, as the case may be, is exercising due diligence in the remedying of such default. No default by the Seller or the Developer shall ever result in the divestment or forfeiture of title or the creation of any lien.

19. This HCA shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

20. Upon the issuance and recording of the Notice of Non-Exercise of Right of First Refusal referred to in Section 7, if any, this HCA shall be recorded in the Essex County Registry of Deeds and appropriately indexed to the Lakeview chain of title, at which time the terms of this HCA shall be deemed to run with the land and shall bind all successors and assigns of the Seller and the Developer.

21. Upon request by any owner or mortgagee, or prospective owner or mortgagee, of any portion of Lakeview, the Town shall within thirty (30) days execute and deliver to such requesting party any document, including an estoppel certificate, which certifies compliance with the terms of this Agreement.

22. This Agreement may be executed in several counterpart copies, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signatures of each of the parties to one such counterpart signature page. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

EXHIBITS:

Exhibit A – Notice of Intent to Convert

Exhibit B – Property Description

Exhibit C – Recreational Land Tax Lien

Exhibit D- Project Plan

Executed as an instrument under seal this 6 day of March, 2017, to be effective as January 12, 2016.

SELLER:

**TRUSTEES OF THE FLYNN FAMILY
ENTERPRISES IRREVOCABLE TRUST**



Robert W. Flynn, Trustee



Joanne Lee Flynn, Trustee



Michael W. Flynn, Trustee



Joanna Lee Flynn, Trustee

COMMONWEALTH OF MASSACHUSETTS

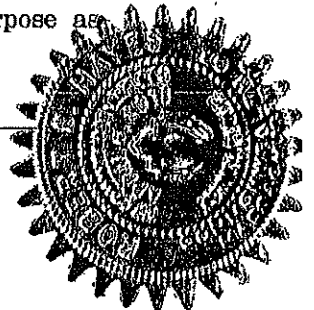
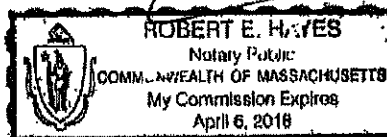
_____, ss.

On this 6 day of March, 2017, before me, the undersigned Notary Public, personally appeared the above-named, trustees, who signed the foregoing document and proved to me through satisfactory evidence of identification, which was MA License, to be the person whose name is signed above and who acknowledged to me that he/she signed it voluntarily for its stated purpose as Trustee of The Flynn Family Enterprises Irrevocable Trust.



Notary Public

My commission expires: 4/6/18



Executed as an instrument under seal this 3rd day of March, 2017, to be effective as January 12, 2016.

SELLER:

TRUSTEES OF THE FLYNN FAMILY
ENTERPRISES IRREVOCABLE TRUST

Robert W. Flynn, Trustee



Joanne Lee Flynn, Trustee

Michael W. Flynn, Trustee

Janna Lee Flynn, Trustee

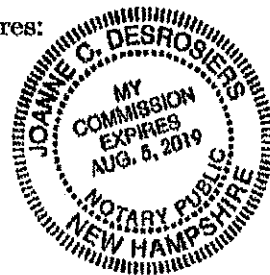
STATE OF NEW HAMPSHIRE
~~COMMONWEALTH OF MASSACHUSETTS~~
Rocky Hill, ss.

On this 3 day of March, 2017, before me, the undersigned Notary Public, personally appeared the above-named, Joanne Lee Flynn, who signed the foregoing document and proved to me through satisfactory evidence of identification, which was Notary Public, to be the person whose name is signed above and who acknowledged to me that he/she signed it voluntarily for its stated purpose as Trustee of The Flynn Family Enterprises Irrevocable Trust.



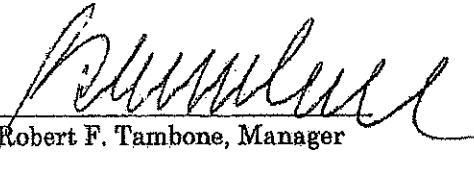
Notary Public

My commission expires:



DEVELOPER:

WENHAM PINES, LLC,
a Massachusetts limited liability company

By: 
Robert F. Tambone, Manager

Essex, ss.

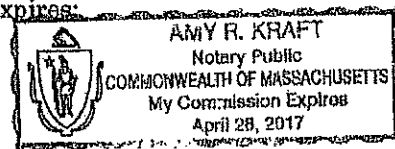
COMMONWEALTH OF MASSACHUSETTS

On this 26 day of February, 2017, before me, the undersigned Notary Public, personally appeared the above-named, Robert F. Tambone, Manager of Wenham Pines, LLC, a Massachusetts limited liability company, who signed the foregoing document and proved to me through satisfactory evidence of identification, which was license, to be the person whose name is signed above and who acknowledged to me that he signed it voluntarily for its stated purpose on behalf of said company.



Notary Public

My commission expires:



TOWN:

TOWN OF WENHAM

By its Board of Selectmen, by a vote duly taken at a posted meeting on _____,
2017.

Catherine Harrison

Jack Wilhelm

John Clemenzi

COMMONWEALTH OF MASSACHUSETTS

Essex, ss.

On this ____ day of _____, 2017, before me, the undersigned Notary Public,
personally appeared the above-named _____, a member of the Town of
Wenham Board of Selectmen, who signed the foregoing document and proved to me
through satisfactory evidence of identification, which was _____, to be the
person whose name is signed above and who acknowledged to me that s/he signed it
voluntarily for its stated purpose on behalf of the Town of Wenham.

Notary Public

My commission expires:

Schedule A

The following parcels of land with buildings thereon, situated on the Easterly side of Main Street in the Town of Wenham, County of Essex, Commonwealth of Massachusetts, known as 56-60 Main Street, bounded and described as follows:

PARCEL ONE

Commencing at driveway by land now or formerly of T. W. Batchelder, and thence running 85 feet, more or less, by highway called Main Street to Elm tree, thence running 225 feet, more or less, to ditch or brook, thence turning and running 85 feet by said ditch to said driveway, thence turning and running 200 feet by said driveway to point of beginning.

PARCEL TWO

A certain parcel of land situated in said Wenham being bounded and described as follows:

Commencing at corner of land of Fred M. Batchelder and Ethel M. Batchelder, 260 feet from highway and running 375 feet Easterly by land of Mabel L. Patch and Ethel M. Batchelder, thence turning and running Northerly, 438 feet, more or less, by land of Ethel M. Batchelder to corner of cemetery with right of way for team along this line to Joseph Edmund Batchelder across to his land, thence turning and running Easterly 210 feet; thence turning and running Northerly by land of Joseph Edmund Batchelder, 220 feet to corner of Tarr boundary; thence turning and running Easterly by land of Tarr, 479 feet, more or less; thence turning and running Southeasterly by land of said Tarr, 187 feet, more or less; thence turning and running Southerly by land of said Tarr, 880 feet, more or less to corner of stone wall, thence turning and running Easterly and Southerly, 325 feet, more or less, by land of said Tarr to spring and brook; thence turning and running Westerly by Wenham Pond Brook, so-called, 1000 feet, more or less, to corner of land of Ethel M. Batchelder; thence turning and running Northerly by land of Batchelder to bounds first mentioned.

PARCEL THREE

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at stone bound at Northwesterly corner of lot on Main Street at point 50.08 feet

Southerly from Massachusetts highway bound locating end of curve of 1932 lay out for Wenham, Mass.; thence

running Westerly by land of grantor, 259.84 feet to stone bound at Northeast corner of lot; thence running at angle of 90° 02' and running Southerly by land of Fred L. Batchelder, 133.5 feet to center of brook, thence

turning and running Westerly along center of brook and Southerly by land of Fred M. Batchelder on two courses, 212 feet and 80 feet, respectively, to Main Street; thence

turning and running Northerly by curve on Main Street in accordance with 1932 Mass. Highway L. O., 14 feet to point of beginning.

PARCEL FOUR

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at Main Street at point of land now or formerly of F. M. Batchelder, running Easterly about 225 feet; thence

turning and running Northerly by land now or formerly of F. M. Batchelder about 90 feet to Way, thence

turning and running by Way about 62 feet; thence

turning and running Southerly by land of Mabel L. Patch, 162 feet; thence

turning and running Westerly by land now or formerly of M. A. Batchelder, about 260 feet to Main Street; thence

turning and running Northerly by Main Street, 60 feet to point of beginning.

PARCEL FIVE

A certain parcel of land situated in Wenham, Essex County, Massachusetts, bounded and described as follows:

On South by land now or formerly of ice railroad of Gage & Company which divides land being described from land formerly of Tyrrell;

East by land now or formerly of Eastern Railroad Company;

North by Miles Brook, so-called; and

West by land formerly of Addison Gage or Addison Gage & Company.

Containing about 5 acres.

Together with all rights of way appurtenant thereto, but subject to right of City of Salem to lay and maintain water pipe across same, as set forth in deed of Frank A. Whitman to said City of Salem, dated January 7, 1895, and recorded in in Essex South District Registry of Deeds, Book 1435, Page 25.

PARCEL SIX

A certain parcel of land situated in Wenham, Essex County, Massachusetts, shown on plan made by Henry L. Eaton, Surv., Oct. 1894, containing about ½ Acre, more or less, bounded and described as follows:

Southwesterly and Westerly on Main Street in two courses, 61¾ feet and 116¾ feet, respectively;

Northerly and Northwesterly by brook and land now or formerly of Batchelder in four courses, 62 feet, 39 feet, 55 ½ feet, and 80 feet, respectively;

Easterly on land now or formerly of Tirrell, 110 feet;

Southwesterly by Wenham Pond Railroad strip, 132 feet.

PARCEL SEVEN

That parcel of land situated in Wenham, Essex County, Massachusetts, shown on said plan, above mentioned, as containing 40948 square feet, between County Road and Eastern R. R. which was used and occupied for Wenham Pond Railroad, so-called and by its embankment.

Said lot of land is 1½ rods wide and 1654½ feet long and is bounded:

Northerly by lot first described and by land now or formerly of Tirrell;

Easterly by lot herein described and

Southwesterly and Southerly by land now or formerly of said Railroad Company and by land now or formerly of Tilton;

Subject to right of Way across said piece of land to meadow now or formerly of Dodge.

PARCEL EIGHT

A certain parcel of land situated in Wenham, Essex County, Massachusetts, shown on said plan, above mentioned, as containing 29184 square feet, and bounded:

Easterly on land now or formerly of said Railroad Company, 271 feet;

Northerly and Northeasterly on land now or formerly of Tirrell in three courses, 72 feet, 203 feet and 127 feet, respectively, and

Southwesterly in curved line on piece of land last above described.

PARCEL NINE

A certain parcel of land situated in Wenham, Essex County, Massachusetts, on the side of the hill known as "The Peach Tree Lot", bounded and described as follows:

Commencing at corner of roadway and thence

running Northerly 240 feet more or less to the Cemetery, thence

turning and running Easterly by the Cemetery, 185 feet to corner of the wall, thence

File #1660.79

running Southerly, 260 feet to roadway; thence
Westerly 185 feet to corner first mentioned.

PARCEL TEN

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at the Southeast corner of land now or formerly owned by F. W. Batchelder and by a way leading from Main Street and thence running 240 feet to a cemetery; thence Easterly by said cemetery, 150 feet to a drive way that runs up the hill; thence Southerly 240 feet by the road way to the corner of two roads; thence Westerly to the first corner of the road, 150 feet.
All of said measurements being more or less.

PARCEL ELEVEN

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at a point on the Northwesterly corner of a way leading from Main Street and running Easterly by said way, 150 feet; thence turning and running Southerly 160 feet to land now or formerly of Mary A. Batchelder thence running Westerly 150 feet to other land of said Batchelder, thence turning and running Northerly 162 feet by said land now or formerly of Batchelder to the way and point of beginning

PARCEL TWELVE

A piece of land situated in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at Northerly side of way by leading from Main road and running Northerly by land of E. M. Batchelder, 262 feet to cemetery wall, thence turning and running Easterly by cemetery wall, 51 feet; thence turning and running Southerly 266 feet by land now or formerly of Batchelder, thence turning and running Westerly by way, 40 feet to land now or formerly of E. M. Batchelder.

PARCEL THIRTEEN

A lot of land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at corner of Mabel L. Patch lot and running Easterly by way, 225 feet to land now or formerly of E. M. Batchelder; thence turning and running Southerly by land now or formerly of M. A. Batchelder, 152 feet; thence

turning and running Westerly by land now or formerly of M. A. Batchelder, 225 feet; thence turning and running Northerly by land now or formerly of Mabel L. Patch, 160 feet to point of beginning.

PARCEL FOURTEEN

Property located at 56 Main Street, Wenham, Essex County, Massachusetts, together with the buildings thereon, shown on a plan entitled "Plan of Land, Wenham, Mass., Joseph L. Batchelder Estate, Present Owner", 1/1/70, Scale 1" = 80', Dec. 22, 1932, traced from Survey by A. G. Henderson, Engineer, Beverly, said parcel containing 60,900 sq. ft., as shown on said plan.

PARCEL FIFTEEN

One lot of land situated in said Wenham in said County of Essex and bounded and described as follows, viz:

Beginning at the southwestern corner of Cemetery wall and running Northerly by the said wall to the land of Tarr; then turning and running Easterly by the land of Tarr two hundred ten (210) feet; thence turning and running Southerly by land now or late of Mary A. Batchelder, two hundred twenty (220) feet; then turning and running westerly by land now or late of Mary A. Batchelder two hundred ten (210) feet to the corner of the Cemetery wall at the point of beginning.

For Seller's title reference, see the Judgment attached hereto as Exhibit B and deeds recorded with said Registry in Book 5982, Pages 439, 444, 445 and 446.

Exhibit A

MACLEAN HOLLOWAY DOHERTY, P.C.

ATTORNEYS AT LAW

8 ESSEX CENTER DRIVE, PEABODY, MA 01960

TEL: (978) 774-7123 FAX (978) 774-7164

www.mhdpc.com

DANIEL W. DOHERTY
Direct Dial: (978) 762-5813
Email: ddoherty@mhdpc.com

November 9, 2015

✓ Board of Selectman, c/o Town Clerk
Town Administrator
Board of Assessors
Planning Board
Conservation Commission
Wenham Town Hall
138 Main Street
Wenham, MA 01984

via Certified Mail
via Certified Mail
via Certified Mail
via Certified Mail
via Certified Mail

Certified Article Number

7414 7266 7404 2037 3583 45

SENDER'S RECORD

State Forester
Dept. of Conservation and Recreation
251 Causeway Street, Suite 900
Boston, MA 02114-2104

via Certified Mail

NOTICE UNDER M.G.L. ch.61B § 9
STATEMENT OF INTENT TO CONVERT
STATEMENT OF PROPOSED USE OF LAND

LAND: 56 – 60 Main Street, Wenham, MA
Assessor's Map Nos. 27 and 37; Parcels 44 and 36
Southern Essex District Registry of Deeds Book 5982, Page 439

OWNER OF RECORD: William J. Flynn (deceased)
c/o Janice L. Flynn, Personal Representative of the Estate of William J. Flynn
(Essex Probate Docket No. ES15P2740EA)
5 Barker Road
Boxford, MA 01921
Phone: (978) 774-5654

Gentlemen and Ladies:

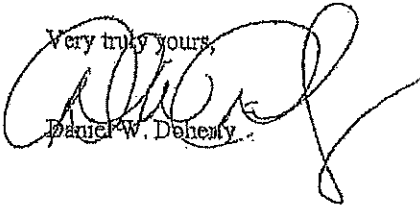
Please be advised that this office represents Janice L. Flynn in regard to the real property located at 56 – 60 Main Street, Wenham. This letter shall serve as Notice of Intent to Convert to Other Use as required under M.G.L. ch.61B § 9.

In accordance with the statute, we provide the following:

1. **Statement of intent to convert:** The owner intends to convert, or cause to be converted, to residential use that portion of the above-named premises which is classified as recreational land under Chapter 61B.
2. **Statement of proposed use of such land:** The proposed use of the land will be for a residential condominium complex containing fifteen (15) dwelling units, which may include more than 15 units if permits and approvals allow.
3. **Location and acreage of land as shown on a map drawn at the scale of the assessor's map in the city or town in which the land is situated:** The land, containing in total approximately 32.4 acres, is located on the Easterly side of Main Street in the Town of Wenham, as shown on the Assessor's Maps provided herein, and is described in a Deed recorded with the Southern Essex District Registry of Deeds in Book 5982, Page 439 (Tab A). A portion of the property is subject to a Recreational Land Tax Lien recorded with the Registry of Deeds in Book 11572, Page 147 (Tab B) [Parcel 36 - 29.82 acres].
4. **Name, address, and telephone number of landowner:** The landowner is Janice L. Flynn as Personal Representative of the Estate of William J. Flynn, 5 Barker Road, Boxford, MA 01921, (978) 774-5654.
5. **Name, address, and telephone number of landowner's attorney:** The landowner's attorney is Daniel W. Doherty, c/o MacLean Holloway Doherty, P.C., 8 Essex Center Drive, Peabody, MA 01960, (978) 774-7123.

Thank you for your attention to this matter.

Very truly yours,


Daniel W. Doherty

DWD/ajf
Enclosures

FILED NOV 03 2016

EXHIBIT
B

COMMONWEALTH OF MASSACHUSETTS

ESSEX, ss.

PROBATE AND FAMILY COURT DEPT.
DOCKET NO.: ES16E0167QC

ROBERT W. FLYNN,
JOANNE LEE FLYNN,
MICHAEL W. FLYNN, and
JANNA LEE FLYNN, as TRUSTEES OF
THE FLYNN FAMILY ENTERPRISES
IRREVOCABLE TRUST,
Plaintiffs

v.

JANICE L. FLYNN, ROBERT W. FLYNN,
JOANNE LEE FLYNN,
MICHAEL W. FLYNN, and
JANNA LEE FLYNN, as TRUSTEES OF
THE WILLIAM J. FLYNN TRUST,
Defendants.

14 ESSEX, ss. PROBATE & FAMILY COURT
Jan 24, 2017
Shawen

The within action is hereby denied.

John McWhick
Justice of Probate & Family Court
See Judgment entered
this day.

PLAINTIFFS' MOTION FOR JUDGMENT ON THE PLEADINGS

NOW come the Plaintiffs, pursuant to Mass.R.Civ.P. 12(c), and move this Court to enter judgment on the pleadings in the form and substance attached hereto and marked as Exhibit A.

In support of this Motion, the Plaintiffs state:

1. By their Verified Complaint, the Plaintiffs seek equitable relief in the nature of reformation an instrument and declaratory relief to establish good, clear record and marketable title to the real property located at 56 and 60 Main Street, Wenham, Massachusetts (the "Lakeview Property") due to mutual mistake.
2. By a certain undated, unacknowledged and unrecorded instrument executed on or about October 1, 2005, mistakenly captioned "Purchase and Sale Agreement", William J. Flynn, father of the Plaintiffs and then owner of the Lakeview Property, attempted to convey and, the

ESSEX, SS

PROBATE COURT

FEB 01 2017

ATTEST

REGISTER OF PROBATE

A TRUE COPY

Plaintiffs contend, did convey the Lakeview Property to the Plaintiffs in their capacities as Trustees of The Flynn Family Enterprises Trust.

3. Recognizing that said instrument contains a legally insufficient description of the Lakeview Property, the Plaintiffs seek reformation of the instrument to provide a sufficient description of the Lakeview Property and a declaration that they are the owners of the Lakeview Property by reason of the reformed instrument.

4. William J. Flynn having died, the named Defendants are those who, by reason of testate succession, hold record title to the Lakeview Property.

5. There are no questions of fact and the judgment requested is in accordance with governing law, all as set forth in the Plaintiffs' Verified Complaint.

6. In further support of this Motion, the Plaintiffs direct the Court to their Memorandum of Law filed herewith.

Respectfully submitted,
Robert W. Flynn, Joanne Lee Flynn,
Michael W. Flynn, and Joanne Lee Flynn,
Trustees of the Flynn Family Enterprises
Irrevocable Trust,
By their attorneys,

WHS

William H. Sheehan III, BBO #457060
Daniel W. Doherty, BBO #550640
Alex J. Harrington, BBO #693512
MacLean Holloway Doherty & Sheehan, P.C.
8 Essex Center Drive
Peabody, MA 01960
(978) 774-7123
wsheehan@mhdpc.com
ddoherty@mhdpc.com
aharrington@mhdpc.com

Dated: November 3, 2016

ESSEX, SS.

PROBATE COURT

FEB 01 2017

ATTEST

REGISTER OF PROBATE

A TRUE COPY

COMMONWEALTH OF MASSACHUSETTS

ESSEX, ss.

PROBATE AND FAMILY COURT DEPT.

DOCKET NO.: ES16ED16792

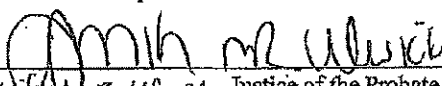
ROBERT W. FLYNN,
JOANNE LEE FLYNN,
MICHAEL W. FLYNN, and
JANNA LEE FLYNN, as TRUSTEES OF
THE FLYNN FAMILY ENTERPRISES
IRREVOCABLE TRUST,
Plaintiffs

v.

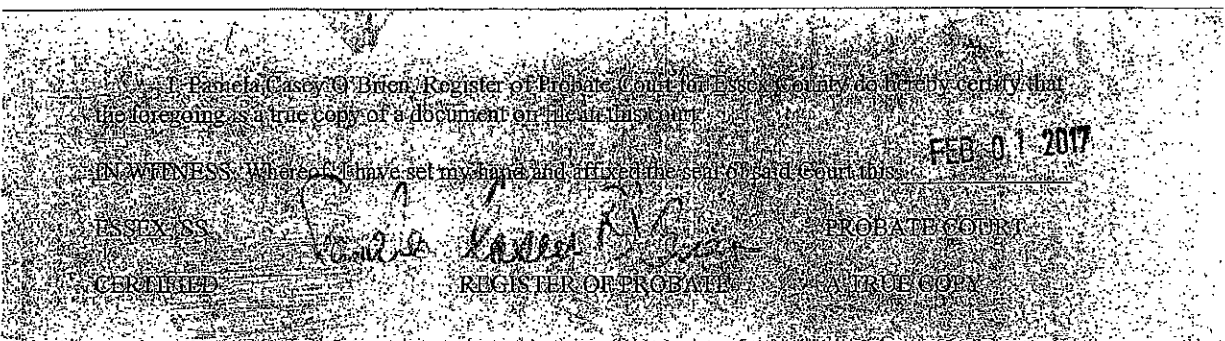
JANICE L. FLYNN, ROBERT W. FLYNN,
JOANNE LEE FLYNN,
MICHAEL W. FLYNN, and
JANNA LEE FLYNN, as TRUSTEES OF
THE WILLIAM J. FLYNN TRUST,
Defendants.

JUDGMENT

After hearing, it is hereby ORDERED and ADJUDGED that the Instrument executed and delivered on or about October 1, 2005 from William J. Flynn to the Trustees of The Flynn Family Enterprises Irrevocable Trust and which is Exhibit A to Plaintiffs' Verified Complaint, is hereby reformed, as to form and substance, as set forth in Addendum 1 attached to this Judgment. It is hereby DECLARED that the Plaintiffs, Trustees of The Flynn Family Enterprises Irrevocable Trust, are the owners of the Lakeview Property, as described in the reformed instrument set forth in Addendum 1.


Justice of the Probate and Family Court

Dated: January 24, 2017





DEED

I, William J. Flynn, of Danvers, Essex County, Massachusetts, for consideration paid, grant to Janna Lee Flynn, Joanne Lee Flynn, Michael W. Flynn, and Robert W. Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust u/d/t dated October 23, 2003, the following parcels of land with buildings thereon, situated on the easterly side of Main Street in the Town of Wenham, Essex County, Massachusetts, bounded and described as follows:

PARCEL ONE

Commencing at driveway by land now or formerly of T. W. Batchelder and thence running 85 feet more or less by highway called Main Street to Elm tree thence running 225 feet more or less to ditch or brook thence turning and running 85 feet by said ditch to said driveway thence turning and running 200 feet by said driveway to point of beginning.

PARCEL TWO

A certain parcel of land situated in said Wenham being bounded and described as follows:

Commencing at corner of land of Fred M. Batchelder and Ethel M. Batchelder, 260 feet from highway and running 375 feet Easterly by land of Mabel L. Patch and Ethel M. Batchelder, thence turning and running Northerly, 438 feet, more or less, by land of Ethel M. Batchelder to corner of cemetery with right of way for team along this line to Joseph Edmund Batchelder across to his land, thence turning and running Easterly 210 feet; thence turning and running Northerly by land of Joseph Edmund Batchelder, 220 feet to corner of Tarr boundary; thence turning and running Easterly by land of Tarr, 479 feet, more or less; thence turning and running Southwesterly by land of said Tarr, 187 feet, more or less; thence turning and running Southerly by land of said Tarr, 880 feet, more or less to corner of stone wall, thence turning and running Easterly and Southerly, 325 feet, more or less, by land of said Tarr to spring and brook; thence turning and running Westerly by Wenham Pond Brook, so-called, 1000 feet, more or less, to corner of land of Ethel M. Batchelder; thence turning and running Northerly by land of Batchelder to bounds first mentioned.

PARCEL THREE

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at stone bound at Northwesterly corner of lot on Main Street at point 50.08 feet Southerly from Massachusetts highway bound locating end of curve of 1932 lay out for Wenham, Mass.; thence running Westerly by land of grantor, 259.84 feet to stone bound at Northeast corner of lot; thence running at angle of $90^{\circ} 02'$ and running Southerly by land of Fred L. Batchelder, 133.5 feet to center of brook, thence turning and running Westerly along center of brook and Southerly by land of Fred M. Batchelder on two courses, 212 feet and 80 feet, respectively, to Main Street; thence turning and running Northerly by curve on Main Street in accordance with 1932 Mass. Highway L. O., 14 feet to point of beginning.

PARCEL FOUR

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at Main Street at point by land now or formerly of F. M. Batchelder, running Easterly about 225 feet; thence turning and running Northerly by land now or formerly of F. M. Batchelder about 90 feet to Way, thence turning and running by Way about 62 feet; thence turning and running Southerly by land of Mabel L. Patch, 162 feet; thence turning and running Westerly by land now or formerly of M. A. Batchelder, about 260 feet to Main Street; thence turning and running Northerly by Main Street, 60 feet to point of beginning.

PARCEL FIVE

A certain parcel of land situated in Wenham, Essex County, Massachusetts, bounded and described as follows:

On South by land now or formerly of ice railroad of Gage & Company which divides land being described from land formerly of Tyrrell;
East by land now or formerly of Eastern Railroad Company;
North by Miles Brook, so-called; and
West by land formerly of Addison Gage or Addison Gage & Company. Containing about 5 acres. Together with all rights of way appurtenant thereto, but subject to right of City of Salem to lay and maintain water pipe across same, as set forth in deed of Frank A. Whitman to said City of Salem, dated January 7, 1895 and recorded in said Registry, Book 1435, Page 25.

PARCEL SIX

A certain parcel of land situated in Wenham, Essex County, Massachusetts, shown on plan made by Henry L. Eaton, Surv., Oct. 1894, containing about $\frac{1}{2}$ Acre, more or less, bounded and described as follows:

Southwesterly and Westerly on Main Street in two courses, $61 \frac{3}{4}$ feet and $116 \frac{3}{4}$ feet, respectively; Northerly and Northwesterly by brook and land now or formerly of Batchelder in four courses, 62 feet; 39 feet; $55 \frac{1}{2}$ feet, and 80 feet, respectively;
Easterly on land now or formerly of Tirrell, 110 feet;

Southwesterly by Wenham Pond Railroad strip, 132 feet.

PARCEL SEVEN

That parcel of land situated in Wenham, Essex County, Massachusetts, shown on said plan, above mentioned, as containing 40948 square feet, between County Road and Eastern R. R. which was used and occupied for Wenham Pond Railroad, so-called and by its embankment; said lot of land is $1 \frac{1}{2}$ rods wide and $1654 \frac{1}{2}$ feet long and is bounded:

Northerly by lot first described and by land now or formerly of Tirrell;

Easterly by lot herein described and

Southwesterly and Southerly by land now or formerly of said rail road Company and by land now or formerly of Tilton;

Subject to right of Way across said piece of land to meadow now or formerly of Dodge.

PARCEL EIGHT

A certain parcel of land situated in Wenham, Essex County, Massachusetts, shown on said plan, above mentioned, as containing 29184 square feet, and bounded:

Easterly on land now or formerly of said Railroad Company, 271 feet;

Northerly and Northeasterly on land now or formerly of Tirrell in three courses, 72 feet; 203 feet and 127 feet, respectively, and Southwesterly in curved line on piece of land last above described.

PARCEL NINE

A certain parcel of land situated in Wenham, Essex County, Massachusetts, on the side of the hill known as "the Peach Tree Lot", bounded and described as follows:

Commencing at corner of roadway and thence running Northerly 240 feet more or less to the Cemetery, thence turning and running Easterly by the Cemetery, 185 feet to corner of the wall, thence running Southerly, 260 feet to roadway; thence Westerly 185 feet to corner first mentioned.

PARCEL TEN

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at the Southeast corner of land now or formerly owned by F. W. Batchelder and by a way leading from Main Street and thence running 240 feet to a cemetery; thence

Easterly by said cemetery, 150 feet to a drive way that runs up the hill; thence

Southerly 240 feet by the road way to the corner of two roads; thence

Westerly to the first corner of the road, 150 feet. All of said measurements being more or less.

PARCEL ELEVEN

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at a point on the Northwesterly corner of a way leading from Main Street and running

Easterly	by said way, 150 feet; thence turning and running
Southerly	160 feet to land now or formerly of Mary A. Batchelder thence running
Westerly	150 feet to other land of said Batchelder, thence turning and running
Northerly	162 feet by said land now or formerly of Batchelder to the way and point of beginning.

PARCEL TWELVE

A piece of land situated in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at Northerly side of way leading from Main road and running Northerly by land of E. M. Batchelder, 262 feet to cemetery wall, thence turning and running Easterly by cemetery wall, 51 feet; thence turning and running

Southerly	266 feet by land now or formerly of Batchelder, thence turning and running
Westerly	by way, 40 feet to land now or formerly of E. M. Batchelder.

PARCEL THIRTEEN

A lot of land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at corner of Mabel L. Patch lot and running Easterly by way, 225 feet to land now or formerly of E. M. Batchelder; thence turning and running Southerly by land now or formerly of M. A. Batchelder, 152 feet; thence turning and running Westerly by land now or formerly of M. A. Batchelder, 225 feet; thence turning and running Northerly by land now or formerly of Mabel L. Patch, 160 feet to point of beginning.

The above described parcels are subject to and with the benefit of all rights, easements of record and subject also to the right and easement of Frederick C. Batchelder and Margaret M. Batchelder for the benefit of their remaining land at 62 Main Street, said Wenham, to use the existing driveway to their property for all purposes for which public ways are used in the Town of Wenham. This right and easement shall run with their land.

Parcels One through Thirteen being the same premises granted to the Grantor by deed of Margaret M. Batchelder, Frederick C. Batchelder, Margaret M. Batchelder, Mary L. Cogswell and Alberta G. Lamont dated June 11, 1973 and recorded with the Essex South District Registry of Deeds in Book 5982, Page 439.

Parcels One through Thirteen also being the same premises granted to the Grantor by deed of Charles F. Batchelder, Executor of the Estate of Joseph M. Batchelder, dated June 11, 1973 and recorded with said Registry in Book 5982, Page 444.

PARCEL FOURTEEN

Property located at 56 Main Street, Wenham, Essex County, Massachusetts, together with the buildings thereon shown on a plan entitled "Plan of Land, Wenham, Mass., Joseph L. Batchelder Estate, Present Owner, 1/1/70, Scale 1"=80', Dec. 22, 1932, traced from Survey by A. G. Henderson, Engineer, Beverly, said parcel containing 60,900 sq. ft., as shown on said plan.

Being the same premises granted to the Grantor by deed of Charles F. Batchelder, Executor of the Estate of Joseph M. Batchelder, dated June 11, 1973 and recorded with said Registry in Book 5982, Page 445.

PARCEL FIFTEEN

One lot of land situated in said Wenham in said County of Essex and bounded and described as follows, viz:

Beginning at the southwestern corner of Cemetery wall and running Northerly by the said wall to the land of Tarr; then turning and running Easterly by the land of Tarr two hundred ten (210) feet; thence turning and running Southerly by land now or late of Mary A. Batchelder, two hundred twenty (220) feet; then turning and running westerly by land now or late of Mary A. Batchelder two hundred ten (210) feet to the corner of the Cemetery wall at the point of beginning.

Being the same premises granted to the Grantor by deed of Lakeview Golf Club, Inc. dated June 11, 1973 and recorded with said Registry in Book 5982, Page 446.

[The Following Page Is the Signature Page]

Witness my hand and seal this _____ day of _____, 2016.

William J. Flynn

THE COMMONWEALTH OF MASSACHUSETTS

Essex, ss.

On this _____ day of _____, 2016, before me, the undersigned notary public, personally appeared William J. Flynn, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public:
My Commission Expires:

THIS INSTRUMENT MUST BE DULY FILED FOR RECORD OR REGISTRATION

State Tax Form RL-2

BK 11572
11/03/92 08:28 Inst 48

WENHAM

OFFICE OF THE BOARD OF ASSESSORS

RECREATIONAL LAND TAX LIEN

The Board of Assessors of the city/town of WENHAM hereby state that it has accepted and approved the application of William J. Flynn owner or owners of the hereinafter described land for valuation, assessment and taxation of such land under the provisions of General Laws, Chapter 61B for the fiscal year ending June 30, 19 94....

DESCRIPTION OF LAND

WILL FLYNN'S LAKEVIEW GOLF COURSE, INC.
60 MAIN STREET WENHAM, MA. 01984 (ROUTE 1A)
29.82 ACRES BOOK 5982 PAGE 439 6/11/73

Statement made this FIRST day of OCTOBER, 19 92

Charles J. Mark
James D. Ryan
John J. Flynn
 BOARD OF ASSESSORS

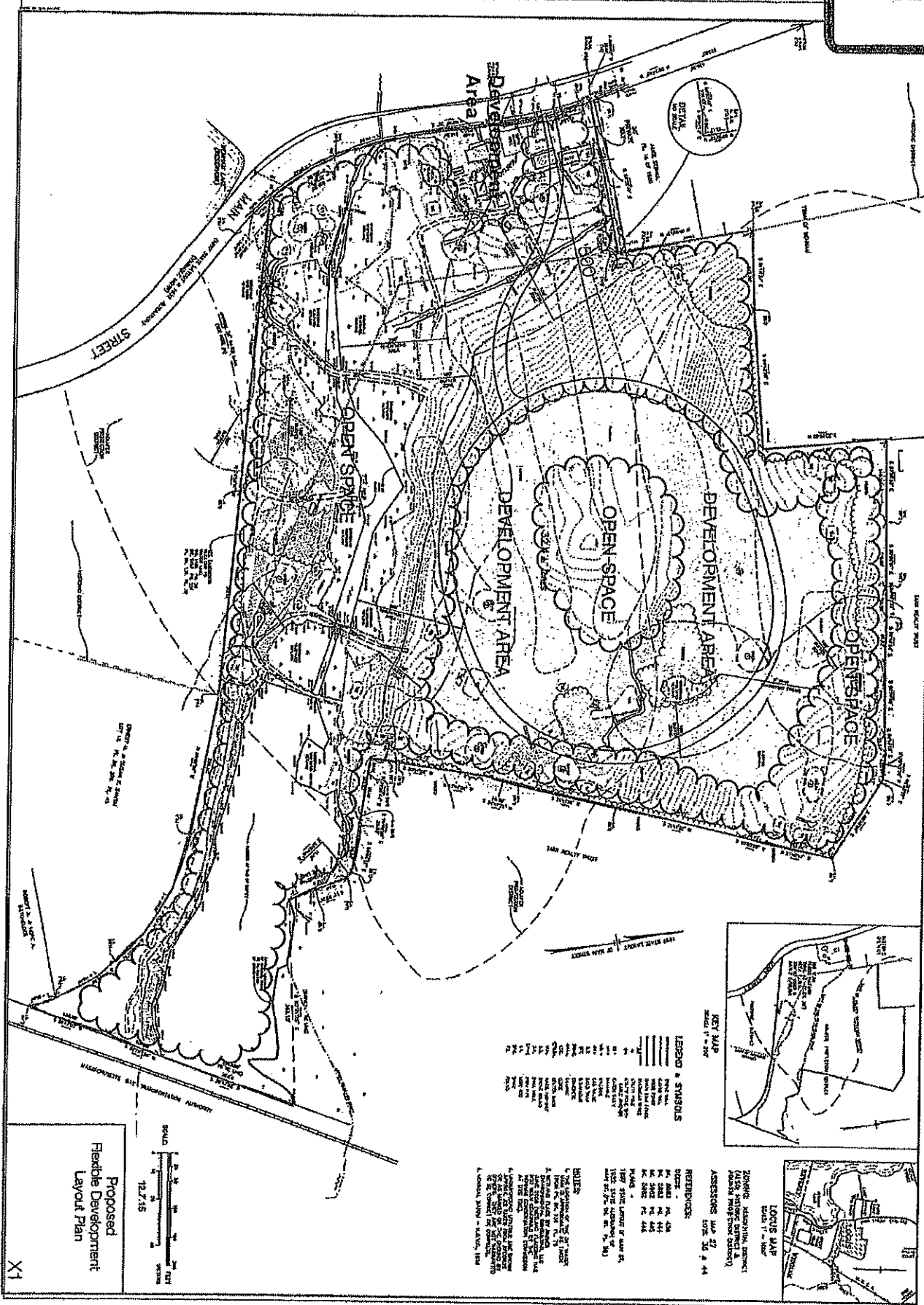
COMMONWEALTH OF MASSACHUSETTS

Essex County, ss. Oscar J. Martin, October 26, 1992
 Thus personally appeared OSCAR J. MARTIN a member of the Board of Assessors of the city/town of WENHAM and acknowledged the foregoing instrument to be the free act and deed of the Board of Assessors of WENHAM before me, Marion D. Ambrose
 Notary Public/Judge of the Peace.
My Commission Expires April 29, 1994

_____, 19____, at _____ o'clock and _____ minutes M.
 Received and entered with _____ Registry of Deeds
 Book _____ Page _____ Document No. _____ Registry District
 Certificate of Title No. _____
 Attest: _____
 Register

FORM 18 HOBBS & WARREN, INC., BOSTON, MASS

THIS FORM APPROVED BY COMMISSIONER OF REVENUE

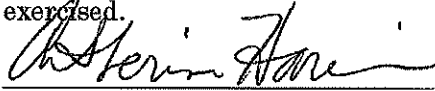


OFFICE OF THE
BOARD OF SELECTMEN

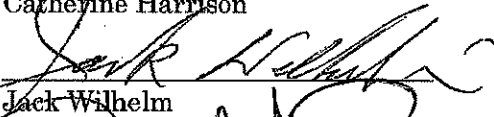
138 Main Street
Wenham, MA 01984

**NOTICE OF NON-EXERCISE OF FIRST REFUSAL OPTION
UNDER CHAPTER 61B**

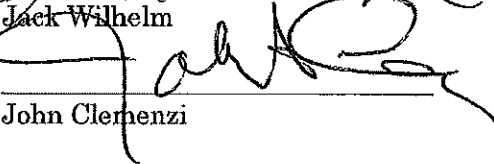
The undersigned, being members of the Board of Selectmen of the Town of Wenham, having been notified pursuant to *M.G.L.* Chapter 61B, Section 8 on November 11, 2015 by Janice L. Flynn, Personal Representative of the Estate of William J. Flynn (Essex Probate Docket No. ES15P2740EA), of 5 Barker Road, Boxford, Massachusetts, of the Estate's intent to convert 56 – 60 Main Street, Wenham, Massachusetts, 29.82 acres of which is designated as recreational land under *M.G.L.* c.61B and further described in a deed recorded with the Southern Essex District Registry of Deeds in Book 5982, Page 439 and of the right of the Town of Wenham to exercise a first refusal option to purchase such designated property, hereby notify the Estate that the option of the Town of Wenham will not be exercised.



Catherine Harrison



Jack Wilhelm

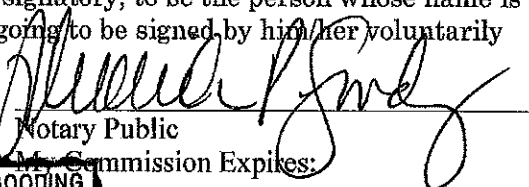


John Clemenzi

COMMONWEALTH OF MASSACHUSETTS

Essex County, ss.

On this 15th day of May 2018, before me, the undersigned Notary Public, personally appeared the above-named Catherine Harrison, Jack Wilhelm & John Clemenzi as members of the Wenham Board of Selectmen, proved to me by satisfactory evidence of identification, being (check whichever applies): ☒ driver's license or other state or federal governmental document bearing a photographic image, ☐ oath or affirmation of a credible witness known to me who knows the above signatory, or ☐ my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him/her voluntarily for its stated purpose.


Notary Public
My Commission Expires:

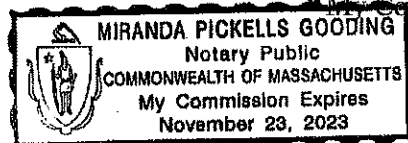
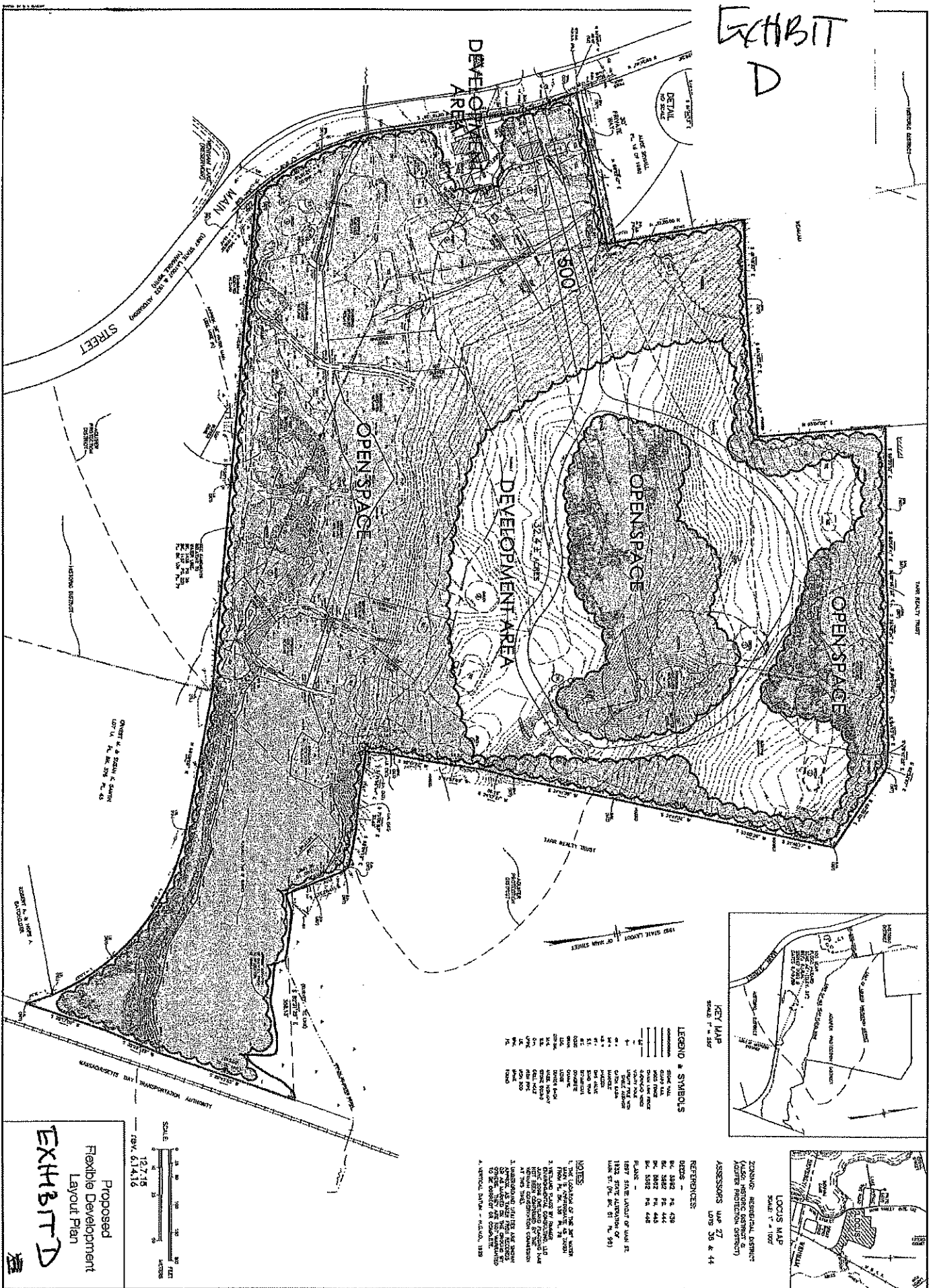


EXHIBIT
D



BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

E.

Review and Potential Approval of Local Action Unit Application to the Department of Housing and Community Development for Affordable Units at Wenham Pines (15 minutes)

- Draft Motion
- Letter regarding Wenham Pines, LLC – LIP/LAU Application, February 25, 2019
- Local Initiative Program Application for Local Action Units, Wenham Pines, LLC
- Certified Special Permit/Site Plan Approval of the Planning Board related to 56-60 Main Street, Wenham Pines
- Local Initiative Program Regulatory Agreement and Declaration of Restrictive Covenants with for Ownership Project between the Commonwealth of MA DHCD, the Town of Wenham and Wenham Pines – Clean & Redlined
- Local Initiative Program Affordable Housing Deed Rider – Clean & Redlined
- Good Standing Certificate Wenham Pines LLC, William Francis Galvin, Secretary of the Commonwealth of MA, September 26, 2017
- Form of Manager's Certificate Wenham Pines LLC
- Form of Mortgagee Consent (attached to Regulatory agreement)
- Form of Wenham Pines Condominium Master Deed
- Form of Wenham Pines Condominium Declaration of Trust
- Massachusetts Environmental Policy Act ENF Certification for Wenham Pines
- Affirmative Fair Marketing and Lottery Plan
- Copy of plans entitled "Wenham Historical Commission Submittal, 55-60 Main Street, Wenham, MA" dated July 11, 2016 depicting existing and proposed conditions for Farmhouse Building/ Affordable Units

BOARD OF SELECTMEN MEETING

March 19, 2019

DRAFT MOTION

Local Action Unit Application: Wenham Pines

- Vote: I move to authorize Catherine A. Harrison on behalf of the Selectboard to execute the Local Action Unit Application to the Department of Housing and Community Development for two affordable units at Wenham Pines.

Seconded / Discussion/ Vote

GLOVSKY

Counselors-at-Law

Miranda P. Gooding
mgooding@glovsky.com
Direct Dial (978) 720-3122

February 25, 2019

BY EMAIL AND BY OVERNIGHT

Margaret Hoffman AICP
Planning Coordinator
Wenham Town Hall
138 Main St.
Wenham MA 01984

Re: Wenham Pines, LLC – LIP / LAU Application

Dear Margaret:

In connection with the Wenham Pines project, I enclose the completed *Local Initiative Program Application for Local Action Units*, for the Town's review and approval for submission to DHCD to start the approval process for the two affordable units for the project, together with a PDF copy of the application attached via e-mail. The application includes the following exhibits:

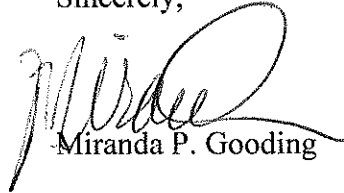
1. Documentation of Municipal Action/Special Permit Decision;
2. Regulatory Agreement for Ownership Developments, with accompanying form of Deed Restriction (clean and redlined against DHCD form dated September 2, 2016);
3. Good Standing Certificate (*updated original to be provided with recording of Regulatory Agreement*);
4. Form of Manager's Certificate of Wenham Pines, LLC;
5. Form of Mortgagee Consent (**attached to Regulatory Agreement**);
6. Form of Wenham Pines Condominium Master Deed;
7. Form of Wenham Pines Condominium Declaration of Trust;
8. MEPA Certification;
9. Affirmative Fair Marketing and Lottery Plan, and accompanying materials;
10. Copy of plans entitled "Wenham Historical Commission Submittal, 55-60 Main Street, Wenham, MA" dated July 11, 2016, depicting existing and proposed conditions for Farmhouse Building/Affordable Units.

Margaret Hoffman
February 25, 2019
Page 2

Please review the Application and, if all is satisfactory, arrange for it to be submitted to the Board of Selectmen for signature and approval at your earliest convenience. The application should then be forwarded to Rieko Hayashi, Program Coordinator, at DHCD, in accordance with the instructions on the face of the Application.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Miranda P. Gooding

MPG/njo
Enclosures

cc: Peter Lombardi, Town Administrator
Amy E. Kwesell, Esq.
Mr. Anthony Tambone
(all via e-mail with attachment)

LOCAL INITIATIVE PROGRAM APPLICATION FOR LOCAL ACTION UNITS

Introduction

The Local Initiative Program (LIP) is a state housing initiative administered by the Department of Housing and Community Development (DHCD) to encourage communities to produce affordable housing for low- and moderate-income households.

The program provides technical and other non-financial assistance to cities or towns seeking to increase the supply of housing for households at or below 80% of the area median income. LIP-approved units are entered into the subsidized housing inventory (SHI) pursuant to Chapter 40B.

Local Action Units (LAUs) are created through local municipal action *other than comprehensive permits*; for example, through special permits, inclusionary zoning, conveyance of public land, utilization of Community Preservation Act (CPA) funds, etc.

DHCD shall certify units submitted as LAUs if they met the requirements of 760 CMR 56.00 and the LIP Guidelines, which are part of the Comprehensive Permit Guidelines and can be found on the **DHCD website at www.mass.gov/dhcd**.

To apply, a community must submit a complete, signed copy of this application to:

**Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, Massachusetts 02114
Attention: Rieko Hayashi, Program Coordinator**

**Telephone: 617-573-1426
Email: rieko.hayashi@state.ma.us**

Community Support Narrative, Project Description and Documentation

Please provide a description of the project, including a summary of the project's history and the ways in which the community fulfilled the local action requirement.

Wenham Pines Condominium is an approved residential cluster development situated at 56-60 Main Street, Wenham, Massachusetts (the "Project"), being developed by Wenham Pines, LLC (the "Developer"). The Developer has received special permit approval from the Town of Wenham to convert the existing 9 hole golf course on this property into an over-55 condominium development consisting of 11 new duplex buildings containing 22 townhome condominium units, together with 2 units in an existing two-family farm house (the "Farmhouse") which will be restored and expanded as part of the Project. The Developer has designated the 2 condominium units in the Farmhouse to be permanent affordable housing units (the "Affordable Units") in accordance with the Town of Wenham's Zoning Bylaw (the "Bylaw") Inclusionary Housing requirements. The Farmhouse, a/k/a the Joseph Lafayette Batchelder House, was constructed in approximately 1868 and is prominently located near the entrance of the Town's Historic District and the new entrance of the Wenham Pines Condominium site. In connection with the Project, the interior of the Farmhouse will be gutted and renovated to include one 3-bedroom flat and one 2-bedroom flat, each with completely new kitchens, 2 bathrooms and garage parking.

The Developer has received special permit approval from the Town of Wenham Planning Board (the "Planning Board") for the Project and the Affordable Units as outlined in the decision dated March 9, 2017 (the "Decision"), a copy of which is included with this application. See Sections 32 and 33 of the Decision for reference to the Affordable Units approvals. As set forth in the Decision, the Affordable Units will be restricted for purchase by households whose annual income do not exceed fifty percent (50%) of the area median income (AMI), adjusted for family size, as determined by the U.S. Department of Housing and Urban Development. The Affordable Units will also be subject to an over-55 age restriction as contained in the Condominium Documents for the Project. Selection for the Affordable Units shall be by Lottery, which will be conducted in full compliance with federal and state fair housing laws, whichever is stricter.

Please see accompanying exhibits for form of Regulatory Agreement, Deed Restriction and Affirmative Fair Housing Marketing Plan for Affordable Units prepared by Harborlight Community Partners. Additional supporting materials are included in the attached exhibits.

Signatures of Support for the Local Action Units Application

Chief Executive Officer:

defined as the mayor in a city and the board of selectmen in a town, unless some other municipal officer is designated to be the chief executive officer under the provisions of a local charter

Signature: _____

Print Name: Catherine Harrison, Chairman

Date: _____

Chair, Local Housing Partnership: (as applicable)

Signature: _____

Print Name: _____

Date: _____

Municipal Contact Information

Chief Executive Officer:

Name Catherine Harrison, Chairperson
Address Town Hall, 138 Main Street, Wenham, MA 01984
Phone (978) 468-5520
Email charrison@wenhamma.gov

Town Administrator/Manager

Name Peter Lombardi, Town Administrator
Address Town Hall, 138 Main Street, Wenham, MA 01984
Phone (978) 468-5520
Email plombardi@wenhamma.gov

City/Town Planner (if any)

Name Margaret Hoffman, AICP, Planning Coordinator
Address Town Hall, Planning Department, 138 Main Street, Wenham, MA 01984
Phone (978) 468-5520
Email mhoffman@wenhamma.gov

City/Town Counsel

Name Amy Kwesell, Esq.
Address KP Law, 101 Arch Street, 12th Floor, Boston, MA 02110
Phone (617) 556-0007
Email iquirk@k-plaw.com; severett@k-plaw.com

Chairman, Local Housing Partnership (if any)

Name N/A
Address
Phone
Email

Community Contact Person for this project

Name Margaret Hoffman, AICP, Planning Coordinator
Address Town Hall, Planning Department, 138 Main Street, Wenham, MA 01984
Phone (978) 468-5520
Email mhoffman@wenhamma.gov

The Project

Developer

Name Wenham Pines, LLC, Attn: Anthony Tambone
 Address 6 Kimball Lane, Lynnfield, MA 01940
 Email atambone@atlantictambone.com

Is your municipality utilizing any HOME or CDBG funding for this project? ☐ Yes ☒ No

Local tax rate per thousand is \$18.02 for Fiscal Year 2019

Site Characteristics

<u>Project Style</u>	<u>Total # of Units</u>	<u># of Units Proposed for LAU Certification</u>
Detached single-family house	_____	_____
Rowhouse/townhouse	_____	_____
Duplex	24	2
Multifamily house (3+ family)	_____	_____
Multifamily rental building	_____	_____
Other (specify)	_____	_____

Unit Composition

Type of Unit:	# of Units	# of BRs	# of Baths	Gross Square Feet	Livable Square Feet	Proposed Sales Prices/Rents	Proposed Condo Fee
Condo Ownership							
Affordable:	1	2BR	2	1,325	NA	\$150,000	\$150/mo
	1	3BR	2	1,535	NA	\$175,000	\$150/mo
Market:	22	3BR	2.5	3,000	NA	TBD	\$897/mo

EXHIBITS TO LAU APPLICATION
Wenham Pines Condominium Project

1. Documentation of Municipal Action/Special Permit Decision
2. Regulatory Agreement for Ownership Developments, with accompanying form of Deed Restriction (*clean and redlined against DHCD form dated September 2, 2016*)
3. Good Standing Certificate of Wenham Pines, LLC (*updated original to be provided with recording*)
4. Form of Manager's Certificate for Wenham Pines, LLC
5. Form of Mortgagee Consent (*attached to Regulatory Agreement*)
6. Form of Wenham Pines Condominium Master Deed – with proposed Schedule of Beneficial Interests

(Note that Schedule of Beneficial Interests is still being finalized but each affordable unit is anticipated to have not more than 1.00% beneficial interest when all phases are completed.)
7. Form of Wenham Pines Condominium Declaration of Trust
8. MEPA Certification
9. Affirmative Fair Marketing and Lottery Plan
10. Copy of plans entitled “Wenham Historical Commission Submittal, 55-60 Main Street, Wenham, MA” dated July 11, 2016, depicting existing and proposed conditions for Farmhouse Building/Affordable Units

17 18



SO. ESSEX #436 Bk:36584 Pg:427
03/14/2018 03:40 DCSN Pg 1/17

TOWN OF WENHAM
WWW.WENHAMMA.GOV
138 MAIN STREET, WENHAM, MA 01984
OFFICE OF THE TOWN CLERK

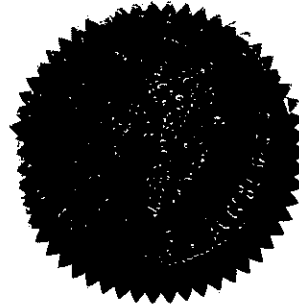
I hereby certify that a copy of the decision of the Planning Board of the Town of Wenham, related to the application of The Trustees of the Flynn Family Enterprises Irrevocable Trust & Wenham Pines LLC for 56-60 Main Street was filed in this office on March 13, 2017 and that no notice of appeal was filed during the twenty (20) day period.

Dianne K. Bucco

Town Clerk, Dianne K. Bucco

April 3, 2017

Date



Dianne K. Bucco
www.facebook.com/WenhamTownClerk

978-468-5520x1

dbucco@wenhamma.gov
@WenhamTownClerk

30434

SPECIAL PERMIT/SITE PLAN APPROVAL
56 – 60 Main Street
Wenham Pines

DATE: March 9, 2017

RECEIVED-TOWN CLERK
WENHAM, MA 01984

2017 MAR 13 AM 8:13

**PLANNING BOARD
TOWN OF WENHAM
MASSACHUSETTS
RECORD AND DECISION
Wenham Pines 56- 60 Main Street**

LOCUS: 56 – 60 Main Street
Wenham MA 01984
Assessor's Map 27, Parcels 44 and 36

ZONING DISTRICT: Residential Zoning District
Aquifer Protection District
Historical District

OWNER: The Trustees of the Flynn Family Enterprises Irrevocable Trust:
5 Barker Road, Boxford, MA 01921

APPLICANTS: The Trustees of the Flynn Family Enterprises Irrevocable Trust
5 Barker Road, Boxford, MA 01921
and
Wenham Pines LLC
Robert F. Tambone, Manager
6 Kimball Lane
Lynnfield, MA 01940

ATTORNEY: Miranda P. Gooding
Glovsky, Counselors at Law
8 Washington Street
Beverly, MA 01915

ENGINEER: Roy Tiano
Hancock Associates
185 Centre Street
Danvers, MA 01923

ARCHITECT: Grazado Velleco Architects, Inc.
10 Doaks Lane
Marblehead, MA 01945

**LANDSCAPE
ARCHITECT** Ryan Associates
144 Moody Street
Waltham, MA 02453

DRAWINGS & REPORTS: (ALL INCORPORATED HEREIN BY REFERENCE)

- **A thirty eight (38) page Site Plan entitled Permit Site Plan, Flexible Development, Wenham Pines, 56/60 Main Street Wenham Massachusetts 01984 prepared for Wenham Pines LLC with pages entitled and dated as follows:**
 - Pages 2-33 prepared by Hancock Associates 185 Centre Street, Danvers, MA 01923

Sheet #/Plan Description	Plan Date	Recent Revision Date
1 of 38 Cover Sheet	N/A	N/A
2 of 38 Notes, References and Legend	7/19/16	1/12/17
3 of 38 EC-1 Existing Conditions	7/19/2016	12/2/16
4 of 38 EC-2 Existing Conditions	7/19/2016	12/2/16
5 of 38 EC-3 Existing Conditions	7/19/2016	12/2/16
6 of 38 EC-4 Existing Conditions	7/19/2016	12/2/16
7 of 38 C-1 Yield Plan	3/14/16	1/12/17
8 of 38 MP Master Plan	7/19/2016	1/12/17
9 of 38 S/A Soils and Abutters Map	7/19/2016	1/12/17
10 of 38 D-1 Demolition Plan	7/19/2016	1/12/17
11 of 38 LM-1 Layout and Materials	7/19/2016	1/12/17
12 of 38 LM-2 Layout and Materials	7/19/2016	1/12/17
13 of 38 LM-3 Layout and Materials	7/19/2016	1/12/17
14 of 38 GD Grading and Drainage Overall Plan	7/19/2016	1/12/17
15 of 38 GD-1 Grading and Drainage (w/Trees To Be Removed)	7/19/2016	1/12/17
16 of 38 GD-2 Grading and Drainage (w/Trees To Be Removed)	7/19/2016	1/12/17
17 of 38 GD-3 Grading and Drainage (w/Trees To Be Removed)	7/19/2016	1/12/17
18 of 38 PR-1 Pine Hill Roadway and Utility Profile	7/19/2016	1/12/17
19 of 38 PR-2 Pine Hill Roadway and Utility Profile	7/19/2016	1/12/17
20 of 38 Sewage Profile 1	7/19/2016	1/12/17
21 of 38 Sewage Profile 2	7/19/2016	1/12/17
22 of 38 Sewage Profile 3	7/19/2016	1/12/17
23 of 38 CU Combined Utilities	7/19/2016	1/12/17
24 of 38 SD-1 Site Details 1	7/19/2016	1/12/17
25 of 38 SD-2 Site Details 2	7/19/2016	1/12/17
26 of 38 SD-3 Site Details 3	7/19/2016	1/12/17
27 of 38 ESC-1 Erosion and Sedimentation Control Plan	7/19/2016	1/12/17
28 of 38 ESC-2 Erosion and Sedimentation Control Plan	7/19/2016	1/12/17
29 of 38 ESC-3 Erosion and Sedimentation Control Plan	7/19/2016	1/12/17
30 of 38 TP-1 Test Pit Log	7/19/2016	1/12/17
31 of 38 S+SD Sewer and Septic Details	7/19/2016	1/12/17

SPECIAL PERMIT/SITE PLAN APPROVAL
56 – 60 Main Street
Wenham Pines

DATE: March 9, 2017

32 of 38	OS Open Space Plan	7/19/2016	1/12/17
33 of 38	Proposed Flexible Development Layout Plan	12.7.15	6.24.16

- o Pages 34 – 38 prepared by Contech Engineering Solutions LLC, 9025 Centre Pointe Dr., Suite 400, West Chester, OH 45069

Sheet #/Plan Description	Plan Date	Recent Revision Date
34 of 38	Bridge Plan	12/5/2016
35 of 38	Cross Section	12/5/2016
36 of 38	Upstream End Elevation	12/5/2016
37 of 38	Downstream End Elevation	12/5/2016
38 of 38	Express Foundations	12/5/2016

- A twelve (12) page landscape plan prepared by Ryan Associates, 144 Moody Street, Waltham, MA 02453 dated as follows:

Sheet #/Plan Description	Plan Date	Recent Revision Date
L-1.0	Overall Site Plan	7/19/16
L-1.1	Site Plan	7/19/16
L-1.2	Site Plan	7/19/16
L-1.3	Site Plan	7/19/16
L-2.0	Entry Planting and Materials	7/19/16
L-2.1	Planting and Materials Units 1-2 and 3-4	7/19/16
L-3.0	Lighting Plan	7/19/16
L-4.0	Management Plan	7/19/16
L-5.0	Irrigation Plan	7/19/16
L-6.0	Detail I	7/19/16
L-6.1	Detail II	7/19/16
L-6.2	Detail III Lighting	7/19/16

- A fourteen (14) page architectural plan prepared by Grazado Velleco Architects, Inc., 10 Doaks Lane, Marblehead, MA 01945 dated as follows:

Sheet #/Plan Description	Plan Date	Recent Revision Date
A1	Unit Type A Floor Plans	7.19.16
A2	Unit Type B Floor Plans	7.19.16
A3	Typical Duplex Front Elevation	7.19.16
A4	Typical Duplex Side Elevation	7.19.16
A5	Typical Duplex Rear Elevation	7.19.16
A6	Proposed Postal Structure	7.19.16

SPECIAL PERMIT/SITE PLAN APPROVAL
56 – 60 Main Street
Wenham Pines

DATE: March 9, 2017

H-E1	Historic Home Existing Floor Plans	7.11.16	7.19.16
H-E2	Historic Home Existing Floor Plans	7.11.16	7.19.16
H-E3	Historic Home Existing North and West Elevations	7.11.16	7.19.16
H-E4	Historic Home Existing South and East Elevations	7.11.16	7.19.16
H-A1	Historic Home Proposed Floor Plans	7.11.16	12.20.16
H-A2	Historic Home Proposed North and West Elevations	7.11.16	7.19.16
H-A3	Historic Home Proposed South and East Elevations	7.11.16	7.19.16
H-A4	Proposed Garage at Historic Home	7.11.16	7.19.16

- Exhibit 1 - Traffic Impact and Access Study entitled Wenham Pines Main Street, Prepared for Wenham Pines LLC, prepared by Bayside Engineering 600 Unicorn Park drive, Woburn, MA 01801 dated July 19, 2016 which includes a five (5) page plan entitled Wenham Pines, Wenham Massachusetts prepared by Bayside Engineering dated as follows:

Sheet #/Plan Description	Plan Date	Recent Revision Date
1 of 5 HAP – Existing Conditions	10-3-2016	N/A
2 of 5 HAP – Existing Driveways	10-3-2016	N/A
3 of 5 HAP – Proposed Driveways	10-3-2016	N/A
4 of 5 HAP – Utility Plan	10-3-2016	N/A
5 of 5 HAP – Temporary Traffic Control	10-3-2016	N/A

- Exhibit 2 -Document entitled Operation and Maintenance Plan in Support of Flexible Development/ Permit Site Plan for Wenham Pines at 56 – 6- Main Street Wenham Massachusetts 01984 prepared by Hancock Associates prepared for Wenham Pines LLC dated December 5, 2016
- Exhibit 3 - Host Community Agreement entered into between the Town of Wenham and Janice L. Flynn, as the personal representative of the Estate of William J. Flynn and Atlantic Tambone, Inc. with all amendments as executed February 2, 2016
- Exhibit 4 - Draft Conservation Restriction entitled Wenham Pines Condominium Association Conservation Restriction with a draft dated of July 21, 2016

SPECIAL PERMIT/SITE PLAN APPROVAL
56 – 60 Main Street
Wenham Pines

The Planning Board of the Town of Wenham, Massachusetts, held a Public Hearing in accordance with MGL Chapter 40A, Section 11 and the Town of Wenham Zoning Bylaw Sections 11.0 (Flexible Development Special Permit); 10.1.2 (Earth Removal Special Permit); 12.2.5 (Flood Plain Overlay District Special Permit); 7.1.3 (Permanent Project Sign Special Permit); Section 8.4, Section 9.3 and 13.5.2 (Site Plan Approval), on Thursday, August 11, 2016 at 7:30 p.m. at the Wenham Town Hall, 138

Main Street, Wenham, Massachusetts on the petition by Wenham Pines LLC, Anthony Tambone, Executive Vice President, 6 Kimball Lane, Lynnfield, MA 01940 for Special Permits and Site Plan Approval for a proposed 24-unit, age-restricted, residential development to be located at 56 and 60 Main Street, Wenham, Massachusetts. The subject property contains 32.4+ acres and is located in the Residential Zoning District, the Aquifer Protection District and the Historical District and is shown on Assessor's Map 27, Parcels 44 and 36 respectively.

A notice of public hearing on this application was advertised as follows, a true copy of which is on file in the office of the Planning Board:

- 1) Published in The Hamilton Wenham Chronicle, a newspaper of general circulation in the Town of Wenham on July 28, 2016 and August 4, 2016
- 2) Posted at the Town Clerk's office July 21, 2016.
- 3) Mailed July 27, 2016 to the petitioner, abutters, owners of the land directly opposite the property in question on any public or private street or way, abutters to abutter within 300 feet of the subject property.

The combined public hearings on the special permits and site plan application opened on Thursday August 11, 2016 and continued on September 8, 2016, September 15, 2016, October 13, 2016, November 10, 2016, December 8, 2016, January 12, 2017, February 9, 2017, and February 15, 2017, and closed on March 9, 2017.

The following members attended each session of the public hearing where evidence was given: David Geikie, Minot Frye, Steven Kavanagh, and Donald Killam. Virginia Rogers attended all but one meeting and has submitted an affidavit under M.G. L. c. 39, Section 23D attesting that she has reviewed all of the evidence of the meeting that was missed.

ACTION ON APPLICATION FOR SITE PLAN REVIEW: APPROVED WITH CONDITIONS

VOTE: (Yes) David Geikie (Yes) Minot Frye (Yes) Donald Killam
(Yes) Virginia Rogers (Yes) Stephen Kavanagh

ACTION ON APPLICATION FOR SPECIAL PERMITS: APPROVED WITH CONDITIONS

VOTE: (Yes) David Geikie (Yes) Minot Frye (Yes) Donald Killam
(Yes) Virginia Rogers (Yes) Stephen Kavanagh

(A) = Absent or not present during the entire hearing process and therefore not eligible to vote.

FINDINGS

After thorough analysis and deliberation, the Planning Board finds that the Applicants have complied with all pertinent provisions of the Town of Wenham Zoning Bylaws for Special Permit and Site Plan Approval and have requested Special Permits under the following Sections:

- 11.0 (Flexible Development);
- 10.1.2 (Earth Removal);
- 12.2.5 (Flood Plain Overlay District);
- 7.1.3 (Permanent Project Sign);
- 8.4 (Planted Area requirements)
- 9.3 (Erosion Control)
- 13.5.2 (Site Plan Approval)

Specifically, the Planning Board finds that the Applicants have submitted plans and accompanying documents requesting approval for a Special Permit under the Town's Flexible Development Zoning Bylaw, and that the proposed Project better promotes the purposes of Section 11.1.1 of the Bylaw than would a conventional subdivision development of the same property.

The property to be developed also known as the Lakeview Golf Course has been under the tax protection status of Chapter 61A. The Town of Wenham had the first right of refusal when the owners decided to sell the property. The Town of Wenham has explored this right and entered into a Host Community Agreement with the Owner of the Property and the Applicants.

The Planning Board enlisted the consultant services of Michael Clark of DCI Consultants for peer review services. Mr. Clark submitted a review of the project and the Applicants have answered all of Mr. Clark's concerns to the satisfaction of the Planning Board.

The Plans have also been reviewed by the Town Departments including, Fire, Police, Department of Public Works, and Water Department as to whether they conform to the requirements of the Towns regulations. All departments have submitted their reviews and the Applicants have responded and revised plans as necessary.

The Applicant originally submitted plans depicting a 25 unit, age restricted condominium development in compliance with Section 11.0 Flexible Development. The Applicant submitted a yield plan that showed the ability to develop 18 house lots and related infrastructure under the Town's Subdivision Control Law. After consideration the Planning Board accepted only 17 lots on the yield plan and the Applicant reduced the number of lots to 17. The Applicants have submitted plans that allow for additional units as a density bonus. They have agreed to reserve 74% of the area as open space which under the Flexible Development Guidelines allows for an additional 3 units. The Applicants have also committed to restricting all of the units to age 55 and over occupancy. This allows for an additional 4 units, bringing the total number of allowed units to 24, including the two affordable units that will be placed in the existing dwelling that will be renovated for that purpose.

The Applicants have also agreed to adhere to the requirements of Section 11.1.9 and provide that 2 of the units shall be permanently restricted as affordable units and will be maintained and marketed to satisfy the requirements of the Department of Housing and Community Development for inclusion on the

Town's Subsidized Housing Inventory and with the Town to have the right to enforce a permanent affordable housing restriction.

After taking into account the characteristics of the site and of the proposal in relation to that site the Board has found that the proposed use and structure(s) will have no adverse effects on the Town or the neighborhood. The Board has considered the community needs served by this proposal and determine that there is a need for housing for residents who may want to enjoy the benefits of condominium living in order to relieve themselves of the burdens of upkeep, and that the units will serve a population of residents over the age of 55 which is a growing demographic. The project shall create 2 affordable units which are necessary and desired in the community.

The Applicants have submitted a Traffic Analysis which included information regarding sight distances. The analysis was reviewed by the Town's Peer Reviewer and the Chief of Police and both are satisfied that the project will have no significant impact on the traffic flow and safety. They have provided adequately for the parking needs of the development by supplying garages and additional parking areas for each unit.

The Applicant has provided adequately for utilities and stormwater drainage consistent with the functional requirements of the Town of Wenham's Department of Public Works and Water Department. The project has also been reviewed by the Conservation Commission and they are satisfied that the project will provide for adequate stormwater maintenance and control.

The project was reviewed by the City's Fire Department and it has been determined that the project as proposed will provide adequate access to each structure for fire and service equipment.

The area where the project is being proposed has been used as a golf course for many years. It is abutted by the MBTA tracks, the Wenham Country Club, Wenham Lake and Main Street. There are few residents that abut the property. Each of these abutters was notified of the public hearing for the project and the Planning Board found that the most impact would be felt by the owners of 62 Main Street. Those owners have been in discussion with the Applicants and the Planning Board included a provision to limit the impacts of the construction on these residents. Those owners and the Applicants have entered into an agreement which grants the Applicants an easement for a construction access. The project when completed should have no adverse impacts on the neighborhood.

The project has been reviewed by the Conservation Commission. The project is also proposing to preserve over 25 acres as open space with a conservation restriction. The impacts on the natural environment will be limited to the roadway and building areas. Precautions are being taken to prevent any impacts on the adjacent wetlands and the water resource areas

The property is currently under Chapter 61A protection until it is sold or used for a purpose other than the current golf course. Under this protection the Town has received reduced taxes from the property owner. The flexible development will increase the tax amount received by the Town as each unit will be paying residential taxes.

The Planning Board also considered the plan under section 13.5.7 of the Wenham Zoning Bylaws and has determined that it meets the objectives as outlined in this section.

DECISION

Now, therefore, by a vote of 5 to 0, a supermajority vote, the Planning Board hereby approves the subject applications for Special Permits under Wenham Zoning Bylaw sections:

- 11.0 (Flexible Development);
- 10.1.2 (Earth Removal);
- 12.2.5 (Flood Plain Overlay District);
- 7.1.3 (Permanent Project Sign);
- 8.4 (Planted Area requirements)
- 9.3 (Erosion Control)

and for Site Plan Approval under Section 13.5.2 with authorization for the proposed construction in accordance with the above referenced and approved plans, subject to the below listed Special and General Conditions:

SPECIAL CONDITIONS

1. The term “Applicants” shall include all applicants and owners of record during their respective period of ownership, and their respective successors in interest, including, in the case of a condominium, the organization of unit owners.
2. All 24 dwelling units in the Project shall be subject to a permanent and recorded restriction which shall be enforceable by the Town and may only be released by a vote of Town Meeting, under Zoning By-law §11.1.8(2):
 - (a) Require that there shall be in residence in each unit at least one person who has reached the age of 55, and that no resident (which shall not include periodic visits by those staying three months or less in any nine month period) may be under the age of 18.
 - (b) Be included as a condition of the Condominium Trust and Master Deed documents to be reviewed and approved by the Planning Board and Town Counsel in accordance with Paragraph 24 below.
3. The required construction standards for the access way (“Pine Hill Road”) shall be as shown on the Plan of Record and shall satisfy Detail Sheet No. 1 (Sheet 24 of 38) of the Plan of Record (herein, the “Roadway Construction Standards”).
4. At least one month prior to requesting an Occupancy Permits for any unit, the Applicants shall submit a request to the Planning Board to schedule an inspection of the roadway construction, with the Board then to vote to determine the Roadway’s compliance with the Roadway Construction Standards imposed herein.

5. No Occupancy Permit shall be issued for any unit until the Applicants have completed the construction of the common infrastructure including the Roadway, stormwater drainage systems and septic system (but excluding the finished course of pavement, curbing and landscaping for the individual duplex buildings and associated driveways), all in compliance with the Plan of Record and this decision and the Roadway Construction Standards, to the satisfaction of the Planning Board.
6. Prior to the issuance of any building permit the Applicants shall furnish and record a Covenant using the format provided for under G.L. c.41, §81U, ¶7 in a form acceptable to the Planning Board after review by Town Counsel, to guarantee the completion of all improvements shown on the Plan of Record before any unit sold. The Covenant shall be signed or assented to in writing by all owners and lienholders of record for the Property and the Applicants shall provide a title certificate by a licensed attorney that all required signatures are in place and shall update the certificate when the Covenant is recorded.
7. The Covenant may be substituted from time to time by one or a combination of the surety methods allowed under G.L. c.41, §81U¶7, which does not include letters of credit, provided that, in each instance, such substitute surety shall be sufficient in the opinion of the Planning Board to secure performance of the remaining roadway and infrastructure work (excluding, however, any landscape improvements for the individual duplex buildings and associated driveways). Such substitute surety shall be in an amount equal to one hundred and fifty percent (150%) of the estimated cost to complete such remaining work as reasonably determined by the Board's Consultant. The Applicant, at its sole option, may place any cash surety in a gift account under G.L. c.44, §53A, so as to facilitate the return of the funds if not used by the Town and use of the funds if they are used.
8. Prior to the issuance of a certificate of occupancy for the first two market rate units in the project, the Applicants shall complete the Roadway and all common infrastructure, including the stormwater management elements, water main, electric and gas lines, hydrants, and the shared septic system, but excluding the finished course of pavement and curbing for the Roadway, and landscaping for the individual duplex buildings and associated driveways.

Prior to the issuance of a certificate of occupancy for the last two market rate units in the Project and before the release of the Surety, the Applicants shall prepare and submit to the Planning Board and Building Inspector as-built plans of the Roadway and infrastructure in accordance with this decision's requirements below.
9. The Applicant shall implement all water conservation measures as prescribed by the Wenham Water Department.
10. The Applicants shall submit the plan for construction and maintenance of the construction access located within the 30 foot private way shared with 62 Main Street (Assessor's Map 27 Lot 35) to the Planning Coordinator for review at least 14 days prior to the Pre Construction Meeting.
11. Prior to any construction and prior to issuance of any building permit, the Applicants shall prepare and provide an instrument for review by the Planning Board and Town Counsel that details a binding agreement between Wenham Pines LLC and the owners of 62 Main Street, regarding the use of the

shared driveway for construction access and said agreement shall be fully executed and evidence that notice of the agreement has been recorded against the property prior to any construction or issuance of any building permit. The Agreement Regarding Right of Way dated as of January 5, 2017, previously submitted to the Planning Board by the Applicants will satisfy this Condition, upon the due execution and recording thereof.

12. The Applicants shall flag all trees greater than 6" caliper that are to be removed prior to removal and shall notify the Planning Board and the Planning Coordinator that the flagging has been completed at least one week prior to removal.
13. Applicants shall submit plans for the bridge and retaining walls stamped by a registered engineer at least 1 month before the start of the bridge construction to the Building Inspector.
14. The Roadway shown on the Approved Plan shall remain a private way and shall not be used in the future as frontage for any additional dwelling or use and shall not be used as through access to any adjacent land without an amendment to this decision provided, however, that to the extent the Project is developed in phases, then it is understood that the Roadway will be used for access to subsequent phases of the Project during and following construction and that such access shall not require an amendment.
15. The Roadway is not intended to be accepted as a public way by the Town of Wenham because it does not meet the Town's construction standards for a public way and snow removal and maintenance by the Town would be problematic. It is intended that the maintenance of the roadway shall remain the permanent responsibility of the Applicant and their successors in interest. The Applicant shall include language in the Condominium Association Trust Documents that indicates the responsibility of the private way will lie with the Condominium Association.
16. The Applicant shall be permanently responsible for snow plowing, snow removal (during heavy snow accumulations) and deicing as required for the project including the roadway, driveways and walkways and all common areas within the project.
17. There shall be a Pre-Construction Meeting at Town Hall at least three business days before any clearing or construction begins, with all Town departments invited to attend and with the Applicants represented by the construction manager. At least four weeks prior to initiating any construction activities, the applicant(s) shall notify the Planning Coordinator and Planning Board by certified mail and/or overnight mail of their intentions. The Pre-Construction Meeting shall be conducted with the Applicants' engineer, the on-site construction supervisor or manager and representatives of the Planning Board, Board of Health, Building Inspector, Conservation Commission, Department of Public Works and Fire and Police Departments.
18. At least two weeks prior to the pre-construction meeting the Applicants shall submit a copy of the Stormwater Pollution Prevention Plan (SWPPP) approved by the appropriate agency to the Planning Coordinator for the Planning Board file and to the Building Department.

19. All residences prior to occupancy shall be equipped with operational residential sprinkler systems approved by the Wenham Fire Department prior to the issuance of a certificate of occupancy for any completed unit.
20. All water mains and appurtenances shall be installed in accordance with the Wenham Water Department's "Standard Specifications for Water Main Extensions", dated December 8, 2004. Any special conditions encountered at the site which may be at variance with the requirements shall be referred to the Water Superintendent, who shall determine the methods and operations to be followed.
21. All water services and appurtenances shall be installed in accordance with the Wenham Water Department's "Standard Specifications for Installation of Domestic Water Services", dated 2004. Any special conditions encountered at the site which may be at variance with the requirements shall be referred to the Water Superintendent, who shall determine the methods and operations to be followed.
22. In order to lessen the demand of water use on the Wenham Water System, all landscape irrigation shall be provided by a separate, private well with the understanding that they still fall under the Town of Wenham water use restriction By-Law. All landscaping shall be installed and maintained in strict accordance with Massachusetts Water Resources Commission's "Guide to Lawn and Landscape Water Conservation", May 2002.
23. The Wenham Water Department is under extreme pressure from the Massachusetts Department of Environmental Protection (DEP) to reduce water consumption. The Applicant shall be responsible for mitigating this increase by providing the Town of Wenham with a one-time payment of \$5.00 per gallon average daily use per bedroom based on Title 5 flows as indicated by the Water Department for each unit. This payment shall be made at the time that the Applicant submits their application for water service for each unit. These funds will be used to help finance water conservation measures throughout the Town.
24. Prior to submission of any application for a Building Permit for construction of the first building in the project, the Applicant shall submit to the Planning Board a copy of the proposed Condominium Master Deed and Association Trust (which shall contain reference to the approved Stormwater Operation and Maintenance Plan and the obligation for snow removal referenced herein, and the Condominium Association's responsibility for maintenance of the private roadway), for review and approval as to form and compliance with this decision by Town Counsel. These documents shall also include the permanent age restriction and the permanent affordable housing restriction and shall include a reservation of rights in the documents to allow and shall obligate the Trustees to record the permanent conservation restriction for the open space when construction of the Project is completed, which shall mean when the final market rate building has been built, but before occupancy permits for its units are issued. Within 15 days of the sale of the first market rate unit, the Applicant shall submit a copy of the recorded Condominium Association Trust and Master Deed including the required restrictions to the Planning Board for its records. No further occupancy permits shall issue until the recorded documents are received. There shall be a separate age restriction instrument that runs to the Town and that shall be permanently enforceable by the Town and shall require that the

obligation to maintain the age restriction in the condominium documents shall be enforceable by the Town and the form of the restriction shall be submitted to the Planning Board and reviewed by Town Counsel for conformance with these terms and the instrument shall be duly executed and recorded before the first building permit issues.

25. Before the pre-construction conference, the Applicants shall provide a Construction Management Plan to include detailed traffic management plans, including temporary traffic controls, crosswalk detours, construction truck routes, staging areas and other protections to the extent necessitated by site conditions in the opinion of the Building Inspector, at least one month prior to the Pre-Construction Meeting to the Planning Coordinator and Building Department for review and approval. No construction vehicles related to this project shall be allowed to obstruct vehicle access to the residence at 62 Main Street.
26. The construction and post-construction operations of the Project shall comply with the requirements of the Stormwater Operation and Maintenance Plan previously approved by the Planning Board and attached hereto as Exhibit 2.
27. One week prior to any land disturbance activities beginning, the Applicants shall conduct an on-site inspection with the Town's Planning Coordinator and/or the Town's designated representative to observe the erosion controls installed at the site and review the erosion controls anticipated to be employed during construction.
28. At any point during construction, the Applicants shall allow the Town of Wenham and/or the Town's designated representative, to enter the site for the purpose of making observations as to the compliance of site construction with the Approved Plan and these conditions of approval.
29. The Town of Wenham, may, at its discretion, use consultants to supplement Town Staff for, but not limited to, the purpose of site construction observations. The Consultant Review escrow account shall be brought back to its original amount at least 30-days prior to any land disturbance activities and shall be kept replenished as needed. The Applicant shall be required to fund this account at least 30 days prior to the start of land clearing activities. The amount of funds utilized for this purpose shall not exceed \$25,000 without prior approval of the Planning Board. Any balance in said account following the completion of the project and release of surety shall be promptly refunded to the Applicant. Copies of invoices paid from the Consultant Review escrow account shall be provided to Applicants upon request from time to time.
30. All construction activities, including the maintenance, startup, and operation of any construction vehicles or trucks on site, shall be limited to between 7:00 AM and 5:00 PM Monday through Friday and 8:00 AM and 4:00 PM on Saturdays. Any exception to these limitations shall be through written and specific approval of the Building Inspector and Police Department.
31. There shall be a conservation restriction recorded against the subject property before the first building permit issues, with the restriction having been duly executed by all owners and mortgagees of record for the property and with the restriction having been duly accepted using the procedure provided for under G.L. c.40, §8C, and with the restriction allowing for all of the improvements shown on the Plan

of Record to be made and with the restriction to refer to G.L. c.184, §§31-33 and with the restriction to be a permanent restriction held by a governmental entity and with the form of the restriction to be provided to the Planning Board for review and approval as to conformance with these terms by Town Counsel before the restriction is executed and accepted.

32. Affordable Units. As a condition of approval hereunder, two (2) of the twenty four (24) units shall be permanently restricted as affordable units and then maintained and always sold pursuant to a regulatory agreement that satisfies the Guidelines published by the Department of Housing and Community Development for inclusion in DHCD's Subsidized Housing Inventory and shall be so restricted and conveyed in perpetuity or for the longest period allowed by law and so long as this decision is required for the units to conform to zoning requirements. The restriction shall name the Town as a party who may enforce the restriction and shall provide that the Town's rights may be released only upon a vote of Town Meeting. The existing 2-family home on the Property shall be remodeled and expanded to house the two permanently restricted affordable units. The affordable units shall be permanently restricted to be owned and occupied by persons or families over the age of 55 earning less than 50% of the area median income, as determined in accordance with applicable DHCD guidelines. The renovations shall be historically sensitive and shall obtain a Certificate of Appropriateness from the Historic District Commission. This restriction shall be recorded before any certificate of occupancy issues for any unit. The restriction held by the Town need not be an instrument that is separate from the regulatory agreement, provided that the regulatory agreement specifically provides for permanent enforcement by the Town, even if the regulatory agreement were to terminate or expire for all other purposes..
33. The Affordable Units shall be governed by a permanent deed restriction and marketed and sold in accordance with DHCD requirements to maintain eligibility for inclusion on the SHI maintained by DHCD. The Applicant shall time the construction of the renovations of the existing house at the Property so that both affordable units shall be completed and ready for marketing and occupancy prior to the issuance of the tenth (10th) certificate of occupancy for market rate units .

GENERAL CONDITIONS

1. **REQUIRED CERTIFICATION:** Prior to, or at the time of, submittal of the decision for endorsement, the applicant shall submit to the Planning Board a certification indicating, in effect, the following:

"I (We), Robert Flynn representatives for The Trustees of the Flynn Family Enterprises Irrevocable Trust, 5 Barker Road, Boxford, MA 01921 and Wenham Pines LLC, 6 Kimball Lane, Lynnfield, MA 01940 on this date, 3/16/17 do hereby certify that I (We) have completely read and do fully understand all Special and General Conditions of Planning Board Decision for Wenham Pines Special Permit and Site Plan approval, dated February 9, 2016, relative to the proposed development of 56-60 Main Street Wenham MA 01984. Furthermore, I (We) agree to comply fully with all aspects of the approved Special Permit/Site Plan and with all Special and General Conditions of the Decision.

Signature(s)

2. **RECORDING AT REGISTRY OF DEEDS:** Within sixty (60) days of the expiration of the twenty (20) day appeal period, the Applicant shall record the endorsed Decision at the Registry of Deeds. Evidence of such recording shall be submitted to the Planning Department and to the Building Commissioner prior to the initiation of any construction activities.
3. **NO DEVIATION FROM APPROVED PLAN:** There shall be no deviation from the approved Site Plan and Conditions of this Decision without prior written approval of the Planning Board. Any modifications to the Final Development Plans may be allowed subject to the review and approval of the Planning Board. In the event that the applicant anticipates that some deviation is either necessary or desirable, he (she) shall notify the Planning Board in writing requesting modification of the Plan or the Conditions. No such request may be granted until after a subsequent Public Hearing before the Planning Board is conducted for the purpose of fully discussing such modification.
4. **ZONING ORDINANCE COMPLIANCE:** No aspect of this Site Plan Approval/Special Permit decision or of any Condition of Approval shall be construed in such a manner so as to alleviate an owner, applicant, assign, or successor from full compliance with all pertinent provisions and requirements of the Town of Wenham Zoning Bylaw.
5. **LANDSCAPE MAINTENANCE:** It shall be the responsibility of the owner(s) of the site to ensure that all vegetation and landscaping is maintained in a healthy condition and that any dead or dying materials be replaced at the earliest appropriate season. Any violation of this General Condition shall be considered a violation of this Site Plan Approval and of the Town of Wenham Zoning Bylaw and may be treated accordingly.

6. **REVIEW BY OTHERS:** The applicant shall secure all requisite permits prior to commencing any work under this Site Plan. We specifically call your attention to the possibility of need for permits or other approvals from the Board of Health, Conservation Commission, Wenham Historical Commission, Affordable Housing Trust and the Building Department. Additionally, regulatory agencies of the Commonwealth may have jurisdiction over this project. The applicant shall address any other outstanding issues raised in the interdepartmental review of the proposed project.
7. **PLAN MODIFICATION BY OTHERS:** Should a permit from any other entity include provisions which require a revision of the Plan, such revision shall be submitted to and approved by the Planning Board prior to the start of any construction activities in accordance with General Condition 3, above.
8. **OFF-SITE WORK:** All work done off-site shall be to the satisfaction of the appropriate owner or public body having jurisdiction. In the case of Town streets, public ways, Town lands and easements, the work shall conform to the requirements of the Wenham Department of Public Works and to the satisfaction of the Planning Board. In the case of State roads, the work shall conform to the requirements of the Massachusetts Highway Department.
9. **TIME LIMIT APPROVAL:** If substantial use of the site under this permit or construction of the Project does not begin within two years of the date of filing of this decision with the Town Clerk, then the granting of the instant Site Plan/Special Permit relief shall automatically become null and void. A new application and approval shall be necessary to proceed with such construction if no extension is granted by the Planning Board.
10. **APPROVAL SCOPE:** This Special Permit/Site Plan Approval, and the obligations of the applicant set forth in the conditions hereto, shall run with the land comprising the site and shall inure to and be binding upon the applicant, its successors and assigns (including lessees and tenants).
11. **FINAL PLANS:** Upon completion of the project, the applicant shall furnish along with the digital file as-built plans showing all utilities, building footprints, reference bounds and benchmarks defining the total site, facilities and rights of way.
12. **APPROVED PLANS:** All construction shall be in accordance with the approved drawings and reports referenced above.
13. **WATER SERVICES AND INSTALLATIONS:** All water services and installations shall be in accordance with the requirements of the Town of Wenham Water Department and Department of Public Works.

DATE: March 9, 2017

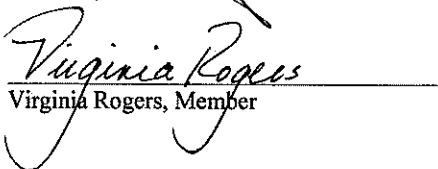
The Board affirms that all provisions of Sections 9 & 11, Chapter 40A of the General Laws and Wenham Zoning Bylaw Section 13.5 (Site Plan Review) and Section 13.4 (Special Permit) were complied with as regards procedures.

The Decision shall not take effect until recorded in the Essex County Registry of Deeds and/or Land Court after certificate by the Town Clerk, as required by MGL, Chapter 40A, Section 11. Appeals from this Decision, if any, shall be made pursuant to MGL, Chapter 40A, Section 17 and shall be filed within 20 days after the date of the filing of this Decision in the office of the Town Clerk.

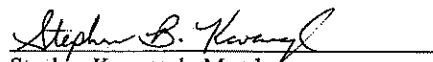
WENHAM PLANNING BOARD


David Geikie, Chairman


Minot Frye, Vice Chairman


Virginia Rogers, Member

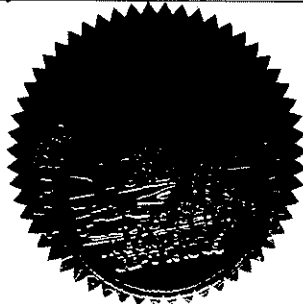

Donald Killam, Member


Stephen Kavanagh, Member

Date: March 9, 2017

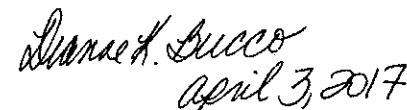
FILED IN THE OFFICE OF THE TOWN
CLERK ON

March 13, 2017
BY Dianne K. Succo



I hereby certify that 20 days have elapsed from the date this decision was filed with this office and no notice of appeal was received during that period.

A TRUE COPY ATTEST


TOWN CLERK DATE

Notice to Owner and Applicant on:
Notice to Interested Parties on:

Return to:
Glovsky & Glovsky, LLC
Box 34

(SPACE ABOVE THIS LINE RESERVED FOR REGISTRY OF DEEDS USE)

**LOCAL INITIATIVE PROGRAM
REGULATORY AGREEMENT
AND
DECLARATION OF RESTRICTIVE COVENANTS
FOR
OWNERSHIP PROJECT**

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made this ____ day of _____ 20—2019 by and among the **Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development** ("DHCD"), pursuant to G.L. c. 23B §1 as amended by Chapter 19 of the Acts of 2007, the ~~City/Town~~ of _____ Wenham, Massachusetts ("the Municipality"), and _____ Wenham Pines, LLC, a Massachusetts ~~corporation/limited partnership~~/limited liability company, having an address at _____ Six Kimball Lane, Suite 300, Lynnfield, Massachusetts, 01940, and its successors and assigns ("Project Sponsor").

WITNESSETH:

WHEREAS, pursuant to G.L. c. 40B, §§ 20-23 (the "Act") and the final report of the Special Legislative Commission Relative to Low and Moderate Income Housing Provisions issued in April 1989, regulations have been promulgated at 760 CMR 56.00 (the "Regulations") which establish the Local Initiative Program ("LIP");

WHEREAS, the Project Sponsor intends to construct a phased housing development known as _____ The Wenham Pines Condominium at a _____ an approximately 32.5-acre site situated on _____ Main Street/ and Pine Hill Road in the Municipality, more particularly described in Exhibit A attached hereto and made a part hereof (the "Project");

WHEREAS, ~~such~~ when all phases are constructed, the Project is to consist of a total number of _____ twenty-four (24) age-restricted condominium units/~~detached dwellings~~ (the "Units") and _____, as a condition of the Municipality's approval of the Project, two (2) of the Units will be located in a newly renovated historic residence and will be sold at prices specified in this

Agreement to persons or households over the age of fifty-five (55) years with incomes at or below eightyfive percent (8050%) of the regional median household income (the "Low and Moderate Income Units");

~~WHEREAS, [For comprehensive permit projects add: upon application of the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) and the Project Sponsor, DHCD made a determination of project eligibility pursuant to 760 CMR 56.04 and the Project Sponsor has received a comprehensive permit from the Zoning Board of Appeals of the Municipality, which permit is recorded/filed at the _____ Registry of Deeds/Registry District of the Land Court (the "Registry") in Book _____, Page _____/as Document No. _____ (the "Comprehensive Permit)) [For Local Action Units add: WHEREAS, the residence in which the Low and Moderate Income Units will be developed is located on that portion of the Project described as "First Phase Land" in Exhibit A and is currently owned by the Project Sponsor, and the "Remaining Land" described in Exhibit A will be acquired by the Project Sponsor in subsequent phases to be added to the Project;~~

WHEREAS, the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) and the Project Sponsor have made application to DHCD to certify that the units in the Project are Local Action Units (as that term is defined in the *Comprehensive Permit Guidelines* (the "Guidelines")) published by DHCD with the LIP Program; and

WHEREAS, in partial consideration of the execution of this Agreement, ~~[for comprehensive permit projects add: DHCD is issuing its final approval of the Project within the LIP Program pursuant to Section 19 of this Agreement, and DHCD has given and will give technical and other assistance to the Project]~~ ~~[for Local Action Units add: DHCD has given and will give technical and other assistance to the Project];;~~

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge to the other, DHCD, the Municipality, and the Project Sponsor hereby agree and covenant as follows:

1. The Project Sponsor ~~agrees to construct~~shall renovate the Project Low and Moderate Income Units in accordance with plans and specifications approved by the Municipality in connection with the approval of the Project (the "Plans and Specifications") ~~[for comprehensive permit projects add: and in accordance with all terms"]~~. ~~The Low and conditions of the Comprehensive Permit]. In addition, all Low and Moderate Income Units to be constructed as part of the Project must be indistinguishable from other Moderate Income Units in the Project from the exterior (unless the Project has an approved "Alternative Development Plan" as set forth in the Comprehensive Permit Guidelines (the "Guidelines")) published by DHCD, and~~ must contain complete living facilities including but not limited to a stove, refrigerator, kitchen cabinets, plumbing fixtures, and washer/dryer hookup, all as more fully shown in the Plans and Specifications.

_____ (1) of the Low and Moderate Income Units shall be ~~one~~a two (2)
bedroom ~~units~~unit;
_____ (1) of the Low and Moderate Income Units shall be ~~two~~a three (3)
bedroom ~~units~~unit

~~_____ of the Low and Moderate Income Units shall be three bedroom units; and,
_____ of the Low and Moderate Income Units shall be four bedroom units.~~

All Low and Moderate Income Units to be occupied by families must contain two or more bedrooms. Low and Moderate Income Units must have the following minimum areas:

one bedroom units	-	700 square feet
two bedroom units	-	900 square feet
three bedroom units	-	1200 square feet
four bedroom units	-	1400 square feet

The Project must fully comply with the State Building Code and with all applicable state and federal building, environmental, health, safety and other laws, rules, and regulations, including without limitation all applicable federal and state laws, rules and regulations relating to the operation of adaptable and accessible housing for the handicapped. ~~[For comprehensive permit projects add: Except to the extent that the Project is exempted from such compliance by the Comprehensive Permit,]~~ The Project must also comply with all applicable local codes, ordinances and by-laws.

Each Low and Moderate Income Unit will be sold for no more than the price set forth in Exhibit B attached hereto and made a part hereof to an Eligible Purchaser. An Eligible Purchaser is a Family (i) whose annual income does not exceed ~~eighty~~fifty percent (~~80~~50%) of the Area median income adjusted for family size as determined by the U. S. Department of Housing and Urban Development and (ii) whose assets do not exceed the limits specified in the Guidelines. A "Family" shall mean two or more persons who will live regularly in the Low or Moderate Income Unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual. The "Area" is defined as the MSA/HMFA/County Boston-Cambridge-Quincy MA-NH Metropolitan Statistical Area\.

2. Upon the occurrence of one of the events described in 760 CMR 56.03(2), the Project will be included in the Subsidized Housing Inventory as that term is described in 760 CMR 56.01. Only Low and Moderate Income Units will be counted as SHI Eligible Housing as that term is described in 760 CMR 56.01 for the purposes of the Act.

3. (a) At the time of sale of each Low and Moderate Income Unit by the Project Sponsor, the Project Sponsor shall execute and shall as a condition of the sale cause the purchaser of the Low and Moderate Income Unit to execute an Affordable Housing Deed Rider in the form of Exhibit C attached hereto and made a part hereof (the "Deed Rider"). Such Deed Rider shall be attached to and made a part of the deed from the Project Sponsor to the Unit Purchaser. Each such Deed Rider shall require the Unit Purchaser at the time he desires to sell the Low and Moderate Income Unit to offer the Low and Moderate Income Unit to the Municipality and to DHCD at a discounted purchase price more particularly described therein. The Municipality and DHCD shall have the option upon terms more particularly described in the Deed Rider to either purchase the Low and Moderate Income Unit or to find an Eligible Purchaser. The Deed Rider shall require the Unit Purchaser and the Eligible Purchaser to execute at the time of resale a Deed Rider identical in form and substance to the Deed Rider then in effect with respect to the Low and Moderate Income Unit which will be attached and made a

part of the deed from the Unit Purchaser to the Eligible Purchaser, so that the affordability of the Low and Moderate Income unit will be preserved each time that subsequent resales of the Low and Moderate Income unit occur. (The various requirements and restrictions regarding resale of a Low and Moderate Income Unit contained in the Deed Rider are hereinafter referred to as the ("Resale Restrictions"). If upon the initial resale or any subsequent resale of a Low and Moderate Income Unit, the Municipality and DHCD are unable to find an Eligible Purchaser for the Low and Moderate Income Unit, and the Municipality and DHCD each elect not to exercise its right to purchase the Low and Moderate Income Unit, then the then current owner of the Low and Moderate Income Unit shall have the right to sell the Low and Moderate Income Unit to any person, regardless of his income (an "Ineligible Purchaser") at the Maximum Resale Price and subject to all rights and restrictions contained in the Deed Rider, and provided that the Unit is conveyed subject to a Deed Rider identical in form and substance to the Deed Rider then in effect with respect to the Low and Moderate Income Unit which will be attached and made part of the deed from the Unit Purchaser to the Ineligible Purchaser.

(b) For each sale of a Low and Moderate Income Unit, DHCD must approve the terms of the Eligible Purchaser's mortgage financing as evidenced by DHCD's issuance of the Resale Price Certificate described in the Deed Rider.

(c) The Municipality agrees that in the event that it purchases a Low and Moderate Income Unit pursuant to its right to do so contained in the Deed Rider then in effect with respect to such Low and Moderate Income Unit, that the Municipality shall within six (6) months of its acceptance of a deed of such Low and Moderate Income Unit, either (i) sell the Low and Moderate Income Unit to an Eligible Purchaser at the same price for which it purchased the Low and Moderate Income Unit plus any expenses incurred by the Municipality during its period of ownership, such expenses to be approved by DHCD, subject to a Deed Rider satisfactory in form and substance to DHCD and the recording of an Eligible Purchaser Certificate satisfactory in form and substance to DHCD, the method for selecting such Eligible Purchaser to be approved by DHCD or (ii) rent the Low and Moderate Income Unit to a person who meets the income guidelines of the LIP Program, upon terms and conditions satisfactory to DHCD and otherwise in conformity with the requirements of the LIP Program. If the Municipality fails to sell or rent the Low and Moderate income unit as provided herein within said six (6) month period, or if at any time after the initial rental of the Low and Moderate Income Unit by the Municipality as provided herein the Low and Moderate Income Unit becomes vacant and remains vacant for more than ninety (90) days, then such Low and Moderate Income Unit shall cease to be counted as SHI Eligible Housing, and shall no longer be included in the Subsidized Housing Inventory.

(d) Each Low and Moderate Income Unit will remain SHI Eligible Housing and continue to be included in the Subsidized Housing Inventory for as long as the following three conditions are met: (1) this Agreement remains in full force and effect and neither the Municipality nor the Project Sponsor is in default hereunder; (2) the Project and Low and Moderate Income Unit each continue to comply with the Regulations and the Guidelines as the same may be amended from time to time; and (3) either (i) a Deed Rider binding the then current owner of the Low and Moderate Income Unit to comply with the Resale Restrictions is in full force and effect and the then current owner of the Low and Moderate Income Unit is either in compliance with the terms of the Deed Rider, or the Municipality is in the process of taking such steps as may be required by DHCD to enforce the then current owner's compliance with the

terms of the Deed Rider or (ii) the Low and Moderate Income Unit is owned by the Municipality and the Municipality is in compliance with the terms and conditions of the last preceding paragraph, or (iii) the Low and Moderate Income Unit is owned by DHCD.

~~4. [For comprehensive permit projects where the Project Sponsor is a for-profit entity add:~~

~~(a) Effective August 7, 2007, DHCD has adopted the policies, procedures, and forms for determining limited dividend compliance set forth in the MassHousing document entitled "Preparation of Cost Certification upon Completion of Homeownership 40B Project for Which MassHousing Serves as Project Administrator: Guidance to Developers and Municipalities" (the "MassHousing Guidance"). The MassHousing Guidance shall govern the cost certifications obligations of the Project Sponsor under this Agreement.~~

~~(b) The Project Sponsor shall be a limited dividend organization as defined by 760 CMR 56.01. Project Sponsor agrees that the aggregate profit from the Project which shall be payable to Project Sponsor or to the partners, shareholders or other owners of Project Sponsor or the Project shall not exceed twenty percent (20%) of total development costs of the Project, which development costs have been approved by DHCD (the "Allowable Profit").]~~

~~(c) Within one hundred eighty (180) days after Substantial Completion of the Project (as that term is defined in the MassHousing Guidance) or, if later, within sixty (60) days of the date on which all units in the Project are sold, the Project Sponsor shall deliver to the Municipality and to DHCD an itemized statement of total development costs together with a statement of gross income from the Project received by the Project Sponsor to date in form satisfactory to DHCD (the "Certified Cost and Income Statement") prepared and certified by a certified public accountant satisfactory to DHCD. DHCD requires the prequalification of the certified public accountant hired by the Project Sponsor as more particularly set forth in Article IV (D) of the Guidelines. If all units at the Project have not been sold within twenty-four (24) months of Substantial Completion, a sale price for the remaining unsold units shall be imputed in an amount equal to the average of the last three (3) arms-length sales of comparable units, and a final Certified Cost and Income Statement shall be required within sixty (60) days thereafter. Prior to DHCD's acceptance of the Certified Cost and Income Statement and for a period of 30 days after DHCD provides the Municipality with its determination of compliance with the limited dividend requirement, the Municipality shall have the option of having the Certified Cost and Income Statement evaluated for accuracy (e.g., absence of material errors) applying the same standards as DHCD by an independent auditor selected by the Municipality. DHCD will reasonably review any inaccuracies identified by the Municipality during this period and shall thereafter make a final determination of the Project Sponsor's compliance with the limited dividend requirement.~~

~~(d) All profits from the Project in excess of the Allowable Profit (the "Excess Profit") shall be paid by the Project Sponsor to the Municipality. The Municipality agrees that upon the receipt by the Municipality of any Excess Profit, the Municipality shall deposit any and all such Excess Profit into an affordable housing fund, if one exists in the Municipality, and otherwise into a fund established pursuant to G.L. c.44 §53A to be used by the Municipality for the purpose of reducing the cost of Low and Moderate Income Units to Eligible purchasers upon resale or for the purpose of encouraging, creating, or subsidizing the construction or~~

~~rehabilitation of housing for persons and families of low and moderate income elsewhere in the Municipality. The expenditure of funds from the Affordable Housing Fund shall be reported on an annual basis to DHCD. For so long as the Project Sponsor complies with the requirements of this Section 4, the Project Sponsor shall be deemed to be a limited dividend organization within the meaning of the Act.]~~

~~———[For comprehensive permit projects where the Project Sponsor is a non-profit entity add: Within one hundred eighty (180) days after Substantial Completion of the Project or, if later, within sixty (60) days of the date on which all the units in the Project are sold, the Project Sponsor shall complete and deliver to the Municipality and to DHCD the section of the Local Initiative Program Application for Comprehensive Permit Projects entitled “Project Feasibility—Ownership Projects” (ownership pro forma, profit analysis, and cost analysis), documenting the actual development costs of and income from the Project, prepared and signed by the Chief Financial Officer of the Project Sponsor. Substantial Completion shall be deemed to have occurred when construction of the Project is sufficiently complete so that the Unit may be occupied and amenities may be used for their intended purpose, except for designated punch list items and seasonal work which does not interfere with the residential use of the Low and Moderate Income Units.]~~

4. *Intentionally omitted.*

5. (a) Prior to marketing or otherwise making available for sale any of the Units, the Project Sponsor must obtain DHCD's approval of a marketing plan (the “Marketing Plan”) for the Low and Moderate Income Units. Such Marketing Plan must describe the buyer selection process for the Low and Moderate Income Units and must set forth a plan for affirmative fair marketing of Low and Moderate Income Units and effective outreach to protected groups underrepresented in the municipality, including provisions for a lottery, consistent with the Regulations and Guidelines. At the option of the Municipality, and provided that the Marketing Plan demonstrates (i) the need for the local preference (e.g., a disproportionately low rental or ownership affordable housing stock relative to need in comparison to the regional area), and (ii) that the proposed local preference will not have a disparate impact on protected classes, the Marketing Plan may also include a preference for local residents ~~for~~ up to seventy percent (70%) of the Low and Moderate Income Units, subject to all provisions of the Regulations and Guidelines, provided that any local preference shall apply only to the initial unit sales by the Project Sponsor. When submitted to DHCD for approval, the Marketing Plan should be accompanied by a letter from the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) which states that the buyer selection and local preference (if any) aspects of the Marketing Plan have been approved by the Municipality and which states that the Municipality will perform any aspects of the Marketing Plan which are set forth as responsibilities of the Municipality in the Marketing Plan. The Marketing Plan must comply with the Regulations and Guidelines and with all other applicable statutes, regulations and executive orders, and DHCD directives reflecting the agreement between DHCD and the U.S. Department of Housing and Urban Development in the case of *NAACP, Boston Chapter v. Kemp*. **If the Project is located in the Boston-Cambridge-Quincy, MA-NH MSA, the Project Sponsor must list all Low and Moderate Income Units with the Boston Fair Housing Commission’s MetroList (Metropolitan Housing Opportunity Clearing Center);** other requirements for listing of units are specified in the Guidelines. All costs of carrying out the Marketing Plan shall be paid by the Project Sponsor.

(b) The Project Sponsor may use in-house staff to draft and/or implement the Marketing Plan, provided that such staff meets the qualifications described in the Guidelines. The Project Sponsor may contract for such services provided that any such contractor must be experienced and qualified under the standards set forth in the Guidelines. A failure to comply with the Marketing Plan by the Project Sponsor or by the Municipality shall be deemed to be a default of this Agreement. The Project Sponsor agrees to maintain for at least five years following the sale of the last Low and Moderate Income Unit, a record of all newspaper ads, outreach letters, translations, leaflets, and any other outreach efforts (collectively "Marketing Documentation") as described in the Marketing Plan as approved by DHCD which may be inspected at any time by DHCD. All Marketing Documentation must be approved by DHCD prior to its use by the Project Sponsor or the Municipality. The Project Sponsor and the Municipality agree that if at any time prior to or during the process of marketing the Low and Moderate Income Units, DHCD determines that the Project Sponsor, or the Municipality with respect to aspects of the Marketing Plan that the Municipality has agreed to be responsible for, has not adequately complied with the approved Marketing Plan, that the Project Sponsor or Municipality as the case may be, shall conduct such additional outreach or marketing efforts as shall be determined by DHCD.

6. Neither the Project Sponsor nor the Municipality shall discriminate on the basis of race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information, ancestry, children, receipt of public assistance, or any other basis prohibited by law in the selection of buyers for the Units; and the Project Sponsor shall not so discriminate in connection with the employment or application for employment of persons for the construction, operation or management of the Project.

7. (a) The Project Sponsor agrees to comply and to cause the Project to comply with all requirements of the Regulations and Guidelines and all other applicable laws, rules, regulations, and executive orders. DHCD and the Chief Executive Officer of the Municipality shall have access during normal business hours and upon reasonable advance written notice to all books and records of the Project Sponsor and the Project in order to monitor the Project Sponsor's compliance with the terms of this Agreement.

(b) Throughout the term of this Agreement, the Chief Executive Officer shall annually certify in writing to DHCD that each of the Low and Moderate Income Units continues to be occupied by a person who was an Eligible Purchaser at the time of purchase; that any Low and Moderate Income Units which have been resold during the year have been resold in compliance with all of the terms and provisions of the Deed Rider then in effect with respect to each such Low and Moderate Income Unit, and in compliance with the Regulations and Guidelines and this Agreement; and that the Project and the Low and Moderate Income Units have otherwise been maintained in a manner consistent with the Regulations and Guidelines, this Agreement, and the Deed Rider then in effect with respect to each Low and Moderate Income Unit.

8. Upon execution, the Project Sponsor shall immediately cause this Agreement and any amendments hereto to be recorded/filed with the Registry, and the Project Sponsor shall pay all fees and charges incurred in connection therewith. Upon recording or filing, as applicable, the Project Sponsor shall immediately transmit to DHCD and the Municipality evidence of such

recording or filing including the date and instrument, book and page or registration number of the Agreement.

9. The Project Sponsor hereby represents, covenants and warrants as follows:

(a) The Project Sponsor (i) is a limited liability company, duly organized under the laws of the Commonwealth of Massachusetts, and is qualified to transact business under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.

(b) The execution and performance of this Agreement by the Project Sponsor (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Project Sponsor is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Project Sponsor will, at the time of execution and delivery of this Agreement, have good and marketable title to the premises constituting the "First Phase Land" of the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Agreement, any loan documents relating to the Project the terms of which are approved by DHCD, or other permitted encumbrances, including mortgages referred in paragraph 10, below).

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Project Sponsor, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially or adversely affect its financial condition.

10. Except for sales of Low and Moderate Income Units to Eligible Purchasers and sales of other Units to unit owners in the ordinary course of business as permitted by the terms of this Agreement, the Project Sponsor will not sell, transfer, lease, or exchange the Project or any portion thereof or interest therein (collectively, a "Sale") or (except as permitted under Section (d) below) mortgage the Property without the prior written consent of DHCD and the Municipality, which consent shall not be unreasonably withheld provided that the proposed Sale is consistent with the Regulations and the Guidelines.

(a) A request for consent to a Sale shall include:

- A signed agreement stating that the transferee will assume in full the Project Sponsor's obligations and duties under this Agreement, together with a certification by the attorney or title company that it will be held in escrow and, in the case of any transfer other than a transfer of Beneficial Interests, recorded in the Registry of Deeds with the deed and/or other recorded documents effecting the Sale;

- The name of the proposed transferee and any other entity controlled by or controlling or under common control with the transferee, and names of any affordable housing developments in the Commonwealth owned by such entities;
- A certification from the Municipality that the Project is in compliance with the affordability requirements of this Agreement.

(b) Consent to the proposed Sale shall be deemed to be given unless DHCD or the Municipality notifies the Project Sponsor within thirty (days) after receipt of the request that either

- The package requesting consent is incomplete, or
- The proposed transferee (or any entity controlled by or controlling or under common control with the proposed transferee) has a documented history of serious or repeated failures to abide by agreements of affordable housing funding or regulatory agencies of the Commonwealth or the federal government or is currently in violation of any agreements with such agencies beyond the time permitted to cure the violation, or
- The Project is not being operated in compliance with the affordability requirements of this Agreement at the time of the proposed Sale.

(c) The Project Sponsor shall provide DHCD and the Municipality with thirty (30) day's prior written notice of the following:

- (i) any change, substitution or withdrawal of any general partner, manager, or agent of the Project Sponsor; or
- (ii) the conveyance, assignment, transfer, or relinquishment of a majority of the Beneficial Interests (herein defined) in the Project Sponsor (except for such a conveyance, assignment, transfer or relinquishment among holders of Beneficial Interests as of the date of this Agreement).
- (iii) the sale, mortgage, conveyance, transfer, ground lease, or exchange of the Project Sponsor's interest in the Project or any ~~partypart~~ of the Project.

For purposes hereof, the term "Beneficial Interest" shall mean: (i) with respect to a partnership, any limited partnership interests or other rights to receive income, losses, or a return on equity contributions made to such partnership; (ii) with respect to a limited liability company, any interests as a member of such company or other rights to receive income, losses, or a return on equity contributions made to such company; or (iii) with respect to a company or corporation, any interests as an officer, board member or stockholder of such company or corporation to receive income, losses, or a return on equity contributions made to such company or corporation.

Notwithstanding the above, DHCD's consent under this Section 910 shall not be required with respect to (a) the grant by the Project Sponsor of any mortgage or other security interest in or with respect to the Project to the existing mortgagee named in the Consent to Regulatory Agreement attached hereto and incorporated herein, or to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender made at no greater than the prevailing rate of interest or any exercise by any such mortgagee of any of its rights and remedies (including without limitation, by foreclosure or by taking title to the Project by deed in lieu of foreclosure), subject, however to the provisions of Section 14 hereof-; or (b) the sale or transfer of individual condominium Units within the Project in the ordinary course of the development and sale of the Project; or (c) any sale of the Project or any portion thereof occurring after the date that both of the Low and Moderate Income Units have been sold by the Project Sponsor to Eligible Purchasers in accordance with this Agreement.

The Project Sponsor hereby agrees that it shall provide copies of any and all written notices received by the Project Sponsor from a mortgagee exercising or threatening to exercise its foreclosure rights under the mortgage.

11. Until such time as decisions regarding repair of damage due to fire or other casualty, or restoration after taking by eminent domain, shall be made by a condominium association or trust not controlled by the Project Sponsor, (or if the Project consists of detached dwellings, by homebuyers) Project Sponsor agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Sponsor will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement, subject to the approval of the Project's lenders, which lenders have been approved by DHCD and the Municipality.

12. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts. Any amendments to this Agreement must be in writing and executed by all of the parties hereto. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions hereof.

13. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered by hand or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate by written notice:

DHCD: Department of Housing and Community Development
Attention: Local Initiative Program Director
100 Cambridge St., Suite 300
Boston, MA 02114

Municipality: Town of Wenham
Attention: Planning Coordinator
138 Main Street
Wenham, MA 01984

Project Sponsor: Wenham Pines, LLC
Six Kimball Lane, Suite 300
Lynnfield, MA 01940

14. (a) This Agreement and all of the covenants, agreements and restrictions contained herein shall be deemed to be an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c.184, § 26, 31, 32 and 33. This Agreement shall bind, and the benefits shall inure to, respectively, the Project Sponsor and its successors and assigns, and DHCD and its successors and assigns and the Municipality and its successors and assigns. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. The term of this Agreement shall be perpetual, provided however, ~~that this Agreement shall terminate if (a) if~~ at any time hereafter there is no Low and Moderate Income Unit at the Project which is then subject to a Deed Rider containing the Resale Restrictions, and there is no Low and Moderate Income Unit at the Project which is owned by the Municipality or DHCD as provided in Section 4 hereof, ~~[For comprehensive permit projects add: or (b) if a Comprehensive Permit is not granted to the Project Sponsor for the Project by either the Municipality's Board of Appeals (as that term is defined in the Regulations) or by the Housing Appeals Committee (as that term is used in the Act) within a period of eighteen months from the date of execution of this Agreement, or (c) if at any time the Comprehensive Permit is revoked and all applicable appeal periods with respect to such revocation have expired].~~ DHCD shall have the right to withdraw from this Agreement, as provided in Section 16. The rights and restrictions contained in this Agreement shall not lapse if the Project is acquired through foreclosure or deed in lieu of foreclosure or similar action, and the provisions hereof shall continue to run with and bind the Project.

(b) The Project Sponsor intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Agreement and the covenants, agreements and restrictions contained herein shall be and are covenants running with the land, ~~encumbering the Projects~~ specifically encumbering both the First Phase Land and any after-acquired additional phases of the Remaining Land described in Exhibit A as and when the same are acquired by the Project Sponsor, for the term of this Agreement, and are binding upon the Project Sponsor's successors in title, (ii) are not merely personal covenants of the Project Sponsor, and (iii) shall bind the Project Sponsor, its successors and assigns and enure to the benefit of DHCD and its successors and assigns for the term of the Agreement. Project Sponsor hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for the provisions of this Agreement to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

(c) The Resale Restrictions contained in each of the Deed Riders which are to encumber each of the Low and Moderate Income Units at the Project pursuant to the requirements of this Agreement shall also constitute an affordable housing restriction as that term is defined in G.L. c. 184, §31 and as that term is used in G.L. c. 184, §§26, 31, 32, and 33.

Such Resale Restrictions shall be for the benefit of both DHCD and the Municipality and both DHCD and the Municipality shall be deemed to be the holder of the affordable housing restriction created by the Resale Restrictions in each of the Deed Riders. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. To the extent that the Municipality is the holder of the Resale Restrictions to be contained in each of the Deed Riders, the Director of DHCD by the execution of this Agreement hereby approves such Resale Restrictions in each of the Deed Riders for the Low and Moderate Income Units of the Project as required by the provisions of G.L. c. 184, §32.

15. The Project Sponsor and the Municipality each agree to submit any information, documents, or certifications requested by DHCD which DHCD shall deem necessary or appropriate to evidence the continuing compliance of the Project Sponsor and the Municipality with the terms of this Agreement.

16. (a) The Project Sponsor and the Municipality each covenant and agree to give DHCD written notice of any default, violation or breach of the obligations of the Project Sponsor or the Municipality hereunder, (with a copy to the other party to this Agreement) within seven (7) days of first discovering such default, violation or breach (a "Default Notice"). If DHCD becomes aware of a default, violation, or breach of obligations of the Project Sponsor or the Municipality hereunder without receiving a Default Notice from Project Sponsor or the Municipality, DHCD shall give a notice of such default, breach or violation to the offending party (with a copy to the other party to this Agreement) (the "DHCD Default Notice"). If any such default, violation, or breach is not cured to the satisfaction of DHCD within thirty (30) days after the giving of the Default notice by the Project Sponsor or the Municipality, or if no Default Notice is given, then within thirty (30) days after the giving of the DHCD Default Notice, then at DHCD's option, and without further notice, DHCD may ~~terminate this Agreement, withdraw as a party to this Agreement and record a notice of DHCD's withdrawal with the Registry of Deeds,, or DHCD may apply to any state or federal court for specific performance of this Agreement, or DHCD may exercise any other remedy at law or in equity or take any other action as may be necessary or desirable to correct non-compliance with this Agreement. The thirty (30) day cure period set forth in this paragraph shall be extended for such period of time as may be necessary to cure such a default so long as the Project Sponsor or the Municipality, as the case may be, is diligently prosecuting such a cure. The Municipality shall have the independent right to enforce the terms of this Agreement (provided that the Municipality shall have only such rights under Section 4 as are permitted thereunder or provided by law), including, without limitation, the foregoing affordability provisions, by giving DHCD prior notice thereof.~~

~~(b) If DHCD elects to terminate~~ (b) Whether the Low and Moderate Income Units continue to be included in the Subsidized Housing Inventory maintained by DHCD for purposes of the Act shall be determined solely by DHCD according to the rules and regulations then in effect. If DHCD elects to withdraw from this Agreement as the result of a breach, violation, or default hereof, which breach, violation, or default continues beyond the cure period set forth in this Section 16(a), then the Low and Moderate Income Units and any other Units at the Project which have been included in the Subsidized Housing Inventory shall from the date of such termination no longer be deemed SHI Eligible Housing for the purposes of the Act and shall be deleted from the Subsidized Housing Inventory. The foregoing sentence shall not apply to Low and Moderate Income Units that have been conveyed in compliance and remain in compliance with Section 3 of this Agreement. Notwithstanding the foregoing, this

Agreement shall continue to be a binding and effective permanent affordable housing agreement under G.L. c. 184, §§31-33 between the Project Sponsor and the Municipality, and the covenants and restrictions herein shall continue to run with the Property. The Municipality shall have the same rights as DHCD hereunder, and any notices to be given to and/or approvals to be obtained from DCHD by the Project Sponsor shall be given to and obtained from the Municipality. DHCD shall have the right to withdraw as a party to this Agreement and record a notice of DHCD's withdrawal with the Registry of Deeds.

(c) In the event DHCD and/or the Municipality brings an action to enforce this Restriction and prevails in any such action, DHCD and Municipality shall each be entitled to recover from the Developer all of DHCD's and/or the Municipality's reasonable costs of an action for such enforcement of this Restriction, including reasonable attorneys' fees.

(d) The Developer hereby grants to DHCD, the Municipality, or its or their designee the right to enter upon the Development for the purpose of enforcing the terms of this Agreement or to prevent, remedy or abate any violation of this Agreement.

17. The Project Sponsor represents and warrants that it has obtained the consent of all existing mortgagees of the Project to the execution and recording of this Agreement and to the terms and conditions hereof and that all such mortgagees have executed the Consent ~~and Subordination of Mortgage~~ to Regulatory Agreement attached hereto and made a part hereof.

18. DHCD may delegate to the Municipality any of its oversight and enforcement responsibilities under this Agreement, with the agreement of the Municipality, by providing written notice of such delegation to the Project Sponsor and the Municipality.

~~[For comprehensive permit projects add:~~

~~19. (a) When executed by DHCD, this Agreement shall constitute Final Approval of the Project as described in 760 CMR 56.04(7). DHCD hereby reaffirms and incorporates by reference in this Agreement each of the findings with respect to project eligibility required by 760 CMR 56.04(1) made in the Site Eligibility Letter for the Project dated _____.] [If the Project Sponsor is a for-profit entity add: The Project Sponsor hereby explicitly acknowledges its obligation to comply with the cost examination requirements defined in 760 CMR 56.04(8).]~~

~~[If the Project Sponsor is a for-profit entity add:~~

~~(b) The Project Sponsor has provided financial surety in a form and in the amount required by the Guidelines to ensure completion of the cost examination to the satisfaction of the DHCD and the distribution of excess funds as required at 760 CMR 56.04(8)(c). DHCD will provide a copy of this Agreement to the Municipality's Board of Appeals as required by 760 CMR 56.04(7).]~~

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Executed as a sealed instrument as of the date first above written.

PROJECT SPONSOR
WENHAM PINES, LLC

By: _____
Name:
Its:

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

By: _____
Name:
Its:

MUNICIPALITY
TOWN OF WENHAM

By: _____
Name:
Its:

Attachments: Exhibit A - Legal Property Description
Exhibit B - Prices & Location of Low & Moderate Income Units
Exhibit C - Form of Deed Rider

~~Consent forms signed by any and all mortgagees whose mortgages are recorded prior to this
Regulatory Agreement must be attached to this Regulatory Agreement.~~

~~© DHCD When used in the Local Initiative Program, this form may not be modified
without the written approval of the Department of Housing and Community Development.~~

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF ESSEX, ss.

_____, 20—2019

On this _____ day of _____, 20—,2019, before me, the undersigned notary public, personally appeared _____, Robert F. Tambone, proved to me through satisfactory evidence of identification, which were _____, or personally known to me, to be the person whose name is signed on the preceding document, as _____ Manager of the _____ [Project Sponsor], Wenham Pines, LLC, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK, ss.

_____, 20—2019

On this _____ day of _____, 20—,2019, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding document, as _____ for the Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF _____, ESSEX, ss.
_____, 2019

_____, 20__

On this _____ day of _____, 20__, 2019, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding document, as _____ for the City/Town of _____, Wenham, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

**CONSENT AND SUBORDINATION OF MORTGAGE
TO REGULATORY AGREEMENT**

Reference is hereby made to a certain Commercial Mortgage, Assignment and Security Agreement dated _____ as of May 25, 2018 given by _____ Wenham Pines, LLC to _____, First Boston Construction Holdings, LLC, a Delaware limited liability company, recorded with the _____ Essex South Registry of Deeds at Book _____, 36742, Page _____ 367 ("Mortgage"), and an accompanying Assignment of Leases and Rents recorded with said Mortgage in Book 36742, Page 384 ("Assignment").

The Undersigned, present holder of said Mortgage and Assignment, hereby recognizes and consents to the execution and recording of this Agreement and agrees that the aforesaid Mortgage and Assignment shall be subject and subordinate to the provisions of this Agreement, to the same extent as if said Mortgage and Assignment had been registered subsequent thereto. The Undersigned further agrees that in the event of any foreclosure or exercise of remedies under said mortgage it shall comply with the terms and conditions hereof.

[NAME OF LENDER]

FIRST
BOSTON CONSTRUCTION HOLDINGS, LLC

By: _____
Its: _____

(If the Project has more than one mortgagee, add additional consent forms.)

Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF _____, ESSEX, ss.
_____, 20—2019

On this _____ day of _____, 20—,2019, before me, the undersigned notary public, personally appeared _____, proved to me through _____ satisfactory evidence of identification, which _____ were _____, to be the person whose name is signed on the preceding document, as _____ Manager of _____ Bank, First Boston Construction Holdings, LLC, a Delaware limited liability company, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

EXHIBIT A

Re: _____Wenham Pines Condominium
_____(Project name)

_____(City/Town)

_____(Developer)

Wenham, MA

Wenham Pines, LLC

Property Description

First Phase Land:

The land, together with the improvements thereon, situated in the Town of Wenham, Essex County, Massachusetts being shown as Lot 1 on the plan entitled "Plan of Land in Wenham, Massachusetts" prepared by Hancock Associates, Inc. dated April 30, 2018 and recorded with the Essex South Registry of Deeds in Plan Book 465, Plan 76, consisting of approximately 8.4415 acres more or less.

For title reference see Deed to Wenham Pines, LLC dated May 23, 2018 recorded with said Registry in Book 36742, Page 281.

Remaining Land (to be added to the Project in future phases):

The land, together with any improvements thereon, situated in the Town of Wenham, Essex County, Massachusetts being shown as "Remaining Land of Flynn Family Enterprises Irrevocable Trust" on the Plan referenced above. Said Remaining Land consists of approximately 24.10 acres according to said Plan.

For title reference see Judgment issued in the matter of Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust v. Janice L. Flynn, Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The William J. Flynn Trust, Essex County Probate Court, Docket #ES16E0167QC; see also deeds recorded with said Registry in Book 5982, Pages 439, 444, 445 and 446.

EXHIBIT B

Re: _____Wenham Pines Condominium

~~(Project name)~~

~~(City/Town)~~

~~(Developer)~~

Wenham, MA

Wenham Pines, LLC

Maximum Selling Prices, Initial Condominium Fees, and Percentage Interest Assigned to Low and Moderate Income Units

	<u>Sales Price</u>	<u>Condo Fee</u>	<u>% Interest</u>
One bedroom units	\$ _____	\$ _____	_____
Two bedroom units	\$ _____ \$150,000.00	\$ _____ \$150/month	_____ TBD
Three bedroom units	\$ _____ \$175,000.00	\$ _____ \$150/month	_____ TBD
Four bedroom units	\$ _____	\$ _____	_____

Location of Low and Moderate Income Units

The housing units which are Low and Moderate Income Units ~~are those designated~~ will be located in the building shown as ~~lot/unit numbers~~ _____ the “Farmhouse Building” on:

☐ — a the site plan of land entitled “Wenham Pines Condominium Site Plan – Phase I” prepared by Hancock Associates, dated _____, 2019 recorded with the _____ Essex South Registry of Deeds in Plan Book _____, Page _____.

floor plans _____, Plan _____. As-built Floor Plans for the Low and Moderate Income Units will be recorded together with the applicable phasing amendment to the Master Deed of the

_____ recorded with the _____ Registry of Deeds in Book _____,
Page _____. Wenham Pines Condominium.

Return to:
Glovsky & Glovsky, LLC
Box 34

(SPACE ABOVE THIS LINE RESERVED FOR REGISTRY OF DEEDS USE)

LOCAL INITIATIVE PROGRAM
REGULATORY AGREEMENT
AND
DECLARATION OF RESTRICTIVE COVENANTS
FOR
OWNERSHIP PROJECT

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made this ____ day of _____ 2019 by and among the **Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development ("DHCD")**, pursuant to G.L. c. 23B §1 as amended by Chapter 19 of the Acts of 2007, the **Town of Wenham, Massachusetts ("the Municipality")**, and **Wenham Pines, LLC**, a Massachusetts limited liability company, having an address at Six Kimball Lane, Suite 300, Lynnfield, Massachusetts, 01940, and its successors and assigns ("Project Sponsor").

WITNESSETH:

WHEREAS, pursuant to G.L. c. 40B, §§ 20-23 (the "Act") and the final report of the Special Legislative Commission Relative to Low and Moderate Income Housing Provisions issued in April 1989, regulations have been promulgated at 760 CMR 56.00 (the "Regulations") which establish the Local Initiative Program ("LIP");

WHEREAS, the Project Sponsor intends to construct a phased housing development known as The Wenham Pines Condominium at an approximately 32.5-acre site situated on Main Street and Pine Hill Road in the Municipality, more particularly described in Exhibit A attached hereto and made a part hereof (the "Project");

WHEREAS, when all phases are constructed, the Project is to consist of a total number of twenty-four (24) age-restricted condominium units (the "Units") and, as a condition of the Municipality's approval of the Project, two (2) of the Units will be located in a newly renovated historic residence and will be sold at prices specified in this Agreement to persons or households over the age of fifty-five (55) years with incomes at or below fifty percent (50%) of the regional median household income (the "Low and Moderate Income Units");

WHEREAS, the residence in which the Low and Moderate Income Units will be developed is located on that portion of the Project described as "First Phase Land" in Exhibit A and is currently owned by the Project Sponsor, and the "Remaining Land" described in Exhibit A will be acquired by the Project Sponsor in subsequent phases to be added to the Project;

WHEREAS, the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) and the Project Sponsor have made application to DHCD to certify that the units in the Project are Local Action Units (as that term is defined in the *Comprehensive Permit Guidelines* (the "Guidelines")) published by DHCD with the LIP Program; and

WHEREAS, in partial consideration of the execution of this Agreement, DHCD has given and will give technical and other assistance to the Project;

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge to the other, DHCD, the Municipality, and the Project Sponsor hereby agree and covenant as follows:

1. The Project Sponsor shall renovate the Low and Moderate Income Units in accordance with plans and specifications approved by the Municipality in connection with the approval of the Project (the "Plans and Specifications"). The Low and Moderate Income Units must contain complete living facilities including but not limited to a stove, refrigerator, kitchen cabinets, plumbing fixtures, and washer/dryer hookup, all as more fully shown in the Plans and Specifications.

(1) _____ of the Low and Moderate Income Units shall be a two (2) bedroom unit;
(1) _____ of the Low and Moderate Income Units shall be a three (3) bedroom unit

All Low and Moderate Income Units to be occupied by families must contain two or more bedrooms. Low and Moderate Income Units must have the following minimum areas:

one bedroom units	-	700 square feet
two bedroom units	-	900 square feet
three bedroom units	-	1200 square feet
four bedroom units	-	1400 square feet

The Project must fully comply with the State Building Code and with all applicable state and federal building, environmental, health, safety and other laws, rules, and regulations, including without limitation all applicable federal and state laws, rules and regulations relating to the operation of adaptable and accessible housing for the handicapped. The Project must also comply with all applicable local codes, ordinances and by-laws.

Each Low and Moderate Income Unit will be sold for no more than the price set forth in Exhibit B attached hereto and made a part hereof to an Eligible Purchaser. An Eligible Purchaser is a Family (i) whose annual income does not exceed fifty percent (50%) of the Area median income adjusted for family size as determined by the U. S. Department of Housing and Urban Development and (ii) whose assets do not exceed the limits specified in the Guidelines. A

"Family" shall mean two or more persons who will live regularly in the Low or Moderate Income Unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual. The "Area" is defined as the Boston-Cambridge-Quincy MA-NH Metropolitan Statistical Area\.

2. Upon the occurrence of one of the events described in 760 CMR 56.03(2), the Project will be included in the Subsidized Housing Inventory as that term is described in 760 CMR 56.01. Only Low and Moderate Income Units will be counted as SHI Eligible Housing as that term is described in 760 CMR 56.01 for the purposes of the Act.

3. (a) At the time of sale of each Low and Moderate Income Unit by the Project Sponsor, the Project Sponsor shall execute and shall as a condition of the sale cause the purchaser of the Low and Moderate Income Unit to execute an Affordable Housing Deed Rider in the form of Exhibit C attached hereto and made a part hereof (the "Deed Rider"). Such Deed Rider shall be attached to and made a part of the deed from the Project Sponsor to the Unit Purchaser. Each such Deed Rider shall require the Unit Purchaser at the time he desires to sell the Low and Moderate Income Unit to offer the Low and Moderate Income Unit to the Municipality and to DHCD at a discounted purchase price more particularly described therein. The Municipality and DHCD shall have the option upon terms more particularly described in the Deed Rider to either purchase the Low and Moderate Income Unit or to find an Eligible Purchaser. The Deed Rider shall require the Unit Purchaser and the Eligible Purchaser to execute at the time of resale a Deed Rider identical in form and substance to the Deed Rider then in effect with respect to the Low and Moderate Income Unit which will be attached and made a part of the deed from the Unit Purchaser to the Eligible Purchaser, so that the affordability of the Low and Moderate Income unit will be preserved each time that subsequent resales of the Low and Moderate Income unit occur. (The various requirements and restrictions regarding resale of a Low and Moderate Income Unit contained in the Deed Rider are hereinafter referred to as the ("Resale Restrictions"). If upon the initial resale or any subsequent resale of a Low and Moderate Income Unit, the Municipality and DHCD are unable to find an Eligible Purchaser for the Low and Moderate Income Unit, and the Municipality and DHCD each elect not to exercise its right to purchase the Low and Moderate Income Unit, then the then current owner of the Low and Moderate Income Unit shall have the right to sell the Low and Moderate Income Unit to any person, regardless of his income (an "Ineligible Purchaser") at the Maximum Resale Price and subject to all rights and restrictions contained in the Deed Rider, and provided that the Unit is conveyed subject to a Deed Rider identical in form and substance to the Deed Rider then in effect with respect to the Low and Moderate Income Unit which will be attached and made part of the deed from the Unit Purchaser to the Ineligible Purchaser.

(b) For each sale of a Low and Moderate Income Unit, DHCD must approve the terms of the Eligible Purchaser's mortgage financing as evidenced by DHCD's issuance of the Resale Price Certificate described in the Deed Rider.

(c) The Municipality agrees that in the event that it purchases a Low and Moderate Income Unit pursuant to its right to do so contained in the Deed Rider then in effect with respect to such Low and Moderate Income Unit, that the Municipality shall within six (6) months of its acceptance of a deed of such Low and Moderate Income Unit, either (i) sell the Low and Moderate Income Unit to an Eligible Purchaser at the same price for which it purchased the Low and Moderate Income Unit plus any expenses incurred by the Municipality during its

period of ownership, such expenses to be approved by DHCD, subject to a Deed Rider satisfactory in form and substance to DHCD and the recording of an Eligible Purchaser Certificate satisfactory in form and substance to DHCD, the method for selecting such Eligible Purchaser to be approved by DHCD or (ii) rent the Low and Moderate Income Unit to a person who meets the income guidelines of the LIP Program, upon terms and conditions satisfactory to DHCD and otherwise in conformity with the requirements of the LIP Program. If the Municipality fails to sell or rent the Low and Moderate income unit as provided herein within said six (6) month period, or if at any time after the initial rental of the Low and Moderate Income Unit by the Municipality as provided herein the Low and Moderate Income Unit becomes vacant and remains vacant for more than ninety (90) days, then such Low and Moderate Income Unit shall cease to be counted as SHI Eligible Housing, and shall no longer be included in the Subsidized Housing Inventory.

(d) Each Low and Moderate Income Unit will remain SHI Eligible Housing and continue to be included in the Subsidized Housing Inventory for as long as the following three conditions are met: (1) this Agreement remains in full force and effect and neither the Municipality nor the Project Sponsor is in default hereunder; (2) the Project and Low and Moderate Income Unit each continue to comply with the Regulations and the Guidelines as the same may be amended from time to time; and (3) either (i) a Deed Rider binding the then current owner of the Low and Moderate Income Unit to comply with the Resale Restrictions is in full force and effect and the then current owner of the Low and Moderate Income Unit is either in compliance with the terms of the Deed Rider, or the Municipality is in the process of taking such steps as may be required by DHCD to enforce the then current owner's compliance with the terms of the Deed Rider or (ii) the Low and Moderate Income Unit is owned by the Municipality and the Municipality is in compliance with the terms and conditions of the last preceding paragraph, or (iii) the Low and Moderate Income Unit is owned by DHCD.

4. *Intentionally omitted.*

5. (a) Prior to marketing or otherwise making available for sale any of the Units, the Project Sponsor must obtain DHCD's approval of a marketing plan (the "Marketing Plan") for the Low and Moderate Income Units. Such Marketing Plan must describe the buyer selection process for the Low and Moderate Income Units and must set forth a plan for affirmative fair marketing of Low and Moderate Income Units and effective outreach to protected groups underrepresented in the municipality, including provisions for a lottery, consistent with the Regulations and Guidelines. At the option of the Municipality, and provided that the Marketing Plan demonstrates (i) the need for the local preference (e.g., a disproportionately low rental or ownership affordable housing stock relative to need in comparison to the regional area), and (ii) that the proposed local preference will not have a disparate impact on protected classes, the Marketing Plan may also include a preference for local residents up to seventy percent (70%) of the Low and Moderate Income Units, subject to all provisions of the Regulations and Guidelines, provided that any local preference shall apply only to the initial unit sales by the Project Sponsor. When submitted to DHCD for approval, the Marketing Plan should be accompanied by a letter from the Chief Executive Officer of the Municipality (as that term is defined in the Regulations) which states that the buyer selection and local preference (if any) aspects of the Marketing Plan have been approved by the Municipality and which states that the Municipality will perform any aspects of the Marketing Plan which are set forth as responsibilities of the Municipality in the

Marketing Plan. The Marketing Plan must comply with the Regulations and Guidelines and with all other applicable statutes, regulations and executive orders, and DHCD directives reflecting the agreement between DHCD and the U.S. Department of Housing and Urban Development in the case of *NAACP, Boston Chapter v. Kemp*. **If the Project is located in the Boston-Cambridge-Quincy, MA-NH MSA, the Project Sponsor must list all Low and Moderate Income Units with the Boston Fair Housing Commission's MetroList (Metropolitan Housing Opportunity Clearing Center);** other requirements for listing of units are specified in the Guidelines. All costs of carrying out the Marketing Plan shall be paid by the Project Sponsor.

(b) The Project Sponsor may use in-house staff to draft and/or implement the Marketing Plan, provided that such staff meets the qualifications described in the Guidelines. The Project Sponsor may contract for such services provided that any such contractor must be experienced and qualified under the standards set forth in the Guidelines. A failure to comply with the Marketing Plan by the Project Sponsor or by the Municipality shall be deemed to be a default of this Agreement. The Project Sponsor agrees to maintain for at least five years following the sale of the last Low and Moderate Income Unit, a record of all newspaper ads, outreach letters, translations, leaflets, and any other outreach efforts (collectively "Marketing Documentation") as described in the Marketing Plan as approved by DHCD which may be inspected at any time by DHCD. All Marketing Documentation must be approved by DHCD prior to its use by the Project Sponsor or the Municipality. The Project Sponsor and the Municipality agree that if at any time prior to or during the process of marketing the Low and Moderate Income Units, DHCD determines that the Project Sponsor, or the Municipality with respect to aspects of the Marketing Plan that the Municipality has agreed to be responsible for, has not adequately complied with the approved Marketing Plan, that the Project Sponsor or Municipality as the case may be, shall conduct such additional outreach or marketing efforts as shall be determined by DHCD.

6. Neither the Project Sponsor nor the Municipality shall discriminate on the basis of race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information, ancestry, children, receipt of public assistance, or any other basis prohibited by law in the selection of buyers for the Units; and the Project Sponsor shall not so discriminate in connection with the employment or application for employment of persons for the construction, operation or management of the Project.

7. (a) The Project Sponsor agrees to comply and to cause the Project to comply with all requirements of the Regulations and Guidelines and all other applicable laws, rules, regulations, and executive orders. DHCD and the Chief Executive Officer of the Municipality shall have access during normal business hours and upon reasonable advance written notice to all books and records of the Project Sponsor and the Project in order to monitor the Project Sponsor's compliance with the terms of this Agreement.

(b) Throughout the term of this Agreement, the Chief Executive Officer shall annually certify in writing to DHCD that each of the Low and Moderate Income Units continues to be occupied by a person who was an Eligible Purchaser at the time of purchase; that any Low and Moderate Income Units which have been resold during the year have been resold in compliance with all of the terms and provisions of the Deed Rider then in effect with respect to each such Low and Moderate Income Unit, and in compliance with the Regulations and

Guidelines and this Agreement; and that the Project and the Low and Moderate Income Units have otherwise been maintained in a manner consistent with the Regulations and Guidelines, this Agreement, and the Deed Rider then in effect with respect to each Low and Moderate Income Unit.

8. Upon execution, the Project Sponsor shall immediately cause this Agreement and any amendments hereto to be recorded/filed with the Registry, and the Project Sponsor shall pay all fees and charges incurred in connection therewith. Upon recording or filing, as applicable, the Project Sponsor shall immediately transmit to DHCD and the Municipality evidence of such recording or filing including the date and instrument, book and page or registration number of the Agreement.

9. The Project Sponsor hereby represents, covenants and warrants as follows:

(a) The Project Sponsor (i) is a limited liability company, duly organized under the laws of the Commonwealth of Massachusetts, and is qualified to transact business under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.

(b) The execution and performance of this Agreement by the Project Sponsor (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Project Sponsor is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Project Sponsor will, at the time of execution and delivery of this Agreement, have good and marketable title to the premises constituting the "First Phase Land" of the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Agreement, any loan documents relating to the Project the terms of which are approved by DHCD, or other permitted encumbrances, including mortgages referred in paragraph 10, below).

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Project Sponsor, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially or adversely affect its financial condition.

10. Except for sales of Low and Moderate Income Units to Eligible Purchasers and sales of other Units to unit owners in the ordinary course of business as permitted by the terms of this Agreement, the Project Sponsor will not sell, transfer, lease, or exchange the Project or any portion thereof or interest therein (collectively, a "Sale") or (except as permitted under Section (d) below) mortgage the Property without the prior written consent of DHCD and the Municipality, which consent shall not be unreasonably withheld provided that the proposed Sale is consistent with the Regulations and the Guidelines.

(a) A request for consent to a Sale shall include:

- A signed agreement stating that the transferee will assume in full the Project Sponsor's obligations and duties under this Agreement, together with a certification by the attorney or title company that it will be held in escrow and, in the case of any transfer other than a transfer of Beneficial Interests, recorded in the Registry of Deeds with the deed and/or other recorded documents effecting the Sale;
- The name of the proposed transferee and any other entity controlled by or controlling or under common control with the transferee, and names of any affordable housing developments in the Commonwealth owned by such entities;
- A certification from the Municipality that the Project is in compliance with the affordability requirements of this Agreement.

(b) Consent to the proposed Sale shall be deemed to be given unless DHCD or the Municipality notifies the Project Sponsor within thirty (days) after receipt of the request that either

- The package requesting consent is incomplete, or
- The proposed transferee (or any entity controlled by or controlling or under common control with the proposed transferee) has a documented history of serious or repeated failures to abide by agreements of affordable housing funding or regulatory agencies of the Commonwealth or the federal government or is currently in violation of any agreements with such agencies beyond the time permitted to cure the violation, or
- The Project is not being operated in compliance with the affordability requirements of this Agreement at the time of the proposed Sale.

(c) The Project Sponsor shall provide DHCD and the Municipality with thirty (30) day's prior written notice of the following:

- (i) any change, substitution or withdrawal of any general partner, manager, or agent of the Project Sponsor; or
- (ii) the conveyance, assignment, transfer, or relinquishment of a majority of the Beneficial Interests (herein defined) in the Project Sponsor (except for such a conveyance, assignment, transfer or relinquishment among holders of Beneficial Interests as of the date of this Agreement).
- (iii) the sale, mortgage, conveyance, transfer, ground lease, or exchange of the Project Sponsor's interest in the Project or any part of the Project.

For purposes hereof, the term "Beneficial Interest" shall mean: (i) with respect to a partnership, any limited partnership interests or other rights to receive income, losses, or a return on equity contributions made to such partnership; (ii) with respect to a limited liability company, any interests as a member of such company or other rights to receive income, losses, or a return on equity contributions made to such company; or (iii) with respect to a company or corporation, any interests as an officer, board member or stockholder of such company or corporation to receive income, losses, or a return on equity contributions made to such company or corporation.

Notwithstanding the above, DHCD's consent under this Section 10 shall not be required with respect to (a) the grant by the Project Sponsor of any mortgage or other security interest in or with respect to the Project to the existing mortgagee named in the Consent to Regulatory Agreement attached hereto and incorporated herein, or to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender made at no greater than the prevailing rate of interest or any exercise by any such mortgagee of any of its rights and remedies (including without limitation, by foreclosure or by taking title to the Project by deed in lieu of foreclosure), subject, however to the provisions of Section 14 hereof; or (b) the sale or transfer of individual condominium Units within the Project in the ordinary course of the development and sale of the Project; or (c) any sale of the Project or any portion thereof occurring after the date that both of the Low and Moderate Income Units have been sold by the Project Sponsor to Eligible Purchasers in accordance with this Agreement.

The Project Sponsor hereby agrees that it shall provide copies of any and all written notices received by the Project Sponsor from a mortgagee exercising or threatening to exercise its foreclosure rights under the mortgage.

11. Until such time as decisions regarding repair of damage due to fire or other casualty, or restoration after taking by eminent domain, shall be made by a condominium association or trust not controlled by the Project Sponsor, (or if the Project consists of detached dwellings, by homebuyers) Project Sponsor agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Sponsor will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement, subject to the approval of the Project's lenders, which lenders have been approved by DHCD and the Municipality.

12. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts. Any amendments to this Agreement must be in writing and executed by all of the parties hereto. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions hereof.

13. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered by hand or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate by written notice:

DHCD: Department of Housing and Community Development
Attention: Local Initiative Program Director
100 Cambridge St., Suite 300
Boston, MA 02114

Municipality: Town of Wenham
Attention: Planning Coordinator
138 Main Street
Wenham, MA 01984

Project Sponsor: Wenham Pines, LLC
Six Kimball Lane, Suite 300
Lynnfield, MA 01940

14. (a) This Agreement and all of the covenants, agreements and restrictions contained herein shall be deemed to be an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c.184, § 26, 31, 32 and 33. This Agreement shall bind, and the benefits shall inure to, respectively, the Project Sponsor and its successors and assigns, and DHCD and its successors and assigns and the Municipality and its successors and assigns. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. The term of this Agreement shall be perpetual, provided however, if at any time hereafter there is no Low and Moderate Income Unit at the Project which is then subject to a Deed Rider containing the Resale Restrictions, and there is no Low and Moderate Income Unit at the Project which is owned by the Municipality or DHCD as provided in Section 4 hereof, DHCD shall have the right to withdraw from this Agreement, as provided in Section 16. The rights and restrictions contained in this Agreement shall not lapse if the Project is acquired through foreclosure or deed in lieu of foreclosure or similar action, and the provisions hereof shall continue to run with and bind the Project.

(b) The Project Sponsor intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Agreement and the covenants, agreements and restrictions contained herein shall be and are covenants running with the land, specifically encumbering both the First Phase Land and any after-acquired additional phases of the Remaining Land described in Exhibit A as and when the same are acquired by the Project Sponsor, for the term of this Agreement, and are binding upon the Project Sponsor's successors in title, (ii) are not merely personal covenants of the Project Sponsor, and (iii) shall bind the Project Sponsor, its successors and assigns and enure to the benefit of DHCD and its successors and assigns for the term of the Agreement. Project Sponsor hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for the provisions of this Agreement to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

(c) The Resale Restrictions contained in each of the Deed Riders which are to encumber each of the Low and Moderate Income Units at the Project pursuant to the requirements of this Agreement shall also constitute an affordable housing restriction as that term is defined in G.L. c. 184, §31 and as that term is used in G.L. c. 184, §§26, 31, 32, and 33. Such Resale Restrictions shall be for the benefit of both DHCD and the Municipality and both

DHCD and the Municipality shall be deemed to be the holder of the affordable housing restriction created by the Resale Restrictions in each of the Deed Riders. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. To the extent that the Municipality is the holder of the Resale Restrictions to be contained in each of the Deed Riders, the Director of DHCD by the execution of this Agreement hereby approves such Resale Restrictions in each of the Deed Riders for the Low and Moderate Income Units of the Project as required by the provisions of G.L. c. 184, §32.

15. The Project Sponsor and the Municipality each agree to submit any information, documents, or certifications requested by DHCD which DHCD shall deem necessary or appropriate to evidence the continuing compliance of the Project Sponsor and the Municipality with the terms of this Agreement.

16. (a) The Project Sponsor and the Municipality each covenant and agree to give DHCD written notice of any default, violation or breach of the obligations of the Project Sponsor or the Municipality hereunder, (with a copy to the other party to this Agreement) within seven (7) days of first discovering such default, violation or breach (a "Default Notice"). If DHCD becomes aware of a default, violation, or breach of obligations of the Project Sponsor or the Municipality hereunder without receiving a Default Notice from Project Sponsor or the Municipality, DHCD shall give a notice of such default, breach or violation to the offending party (with a copy to the other party to this Agreement) (the "DHCD Default Notice"). If any such default, violation, or breach is not cured to the satisfaction of DHCD within thirty (30) days after the giving of the Default notice by the Project Sponsor or the Municipality, or if no Default Notice is given, then within thirty (30) days after the giving of the DHCD Default Notice, then at DHCD's option, and without further notice, DHCD may withdraw as a party to this Agreement and record a notice of DHCD's withdrawal with the Registry of Deeds, or DHCD may apply to any state or federal court for specific performance of this Agreement, or DHCD may exercise any other remedy at law or in equity or take any other action as may be necessary or desirable to correct non-compliance with this Agreement. The thirty (30) day cure period set forth in this paragraph shall be extended for such period of time as may be necessary to cure such a default so long as the Project Sponsor or the Municipality, as the case may be, is diligently prosecuting such a cure. The Municipality shall have the independent right to enforce the terms of this Agreement (provided that the Municipality shall have only such rights under Section 4 as are permitted thereunder or provided by law), including, without limitation, the foregoing affordability provisions, by giving DHCD prior notice thereof.

(b) Whether the Low and Moderate Income Units continue to be included in the Subsidized Housing Inventory maintained by DHCD for purposes of the Act shall be determined solely by DHCD according to the rules and regulations then in effect. If DHCD elects to withdraw from this Agreement as the result of a breach, violation, or default hereof, which breach, violation, or default continues beyond the cure period set forth in this Section 16(a), then the Low and Moderate Income Units and any other Units at the Project which have been included in the Subsidized Housing Inventory shall from the date of such termination no longer be deemed SHI Eligible Housing for the purposes of the Act and shall be deleted from the Subsidized Housing Inventory. The foregoing sentence shall not apply to Low and Moderate Income Units that have been conveyed in compliance and remain in compliance with Section 3 of this Agreement. Notwithstanding the foregoing, this Agreement shall continue to be a binding and effective permanent affordable housing agreement under G.L. c. 184, §§31-33 between the

Project Sponsor and the Municipality, and the covenants and restrictions herein shall continue to run with the Property. The Municipality shall have the same rights as DHCD hereunder, and any notices to be given to and/or approvals to be obtained from DHCD by the Project Sponsor shall be given to and obtained from the Municipality. DHCD shall have the right to withdraw as a party to this Agreement and record a notice of DHCD's withdrawal with the Registry of Deeds.

(c) In the event DHCD and/or the Municipality brings an action to enforce this Restriction and prevails in any such action, DHCD and Municipality shall each be entitled to recover from the Developer all of DHCD's and/or the Municipality's reasonable costs of an action for such enforcement of this Restriction, including reasonable attorneys' fees.

(d) The Developer hereby grants to DHCD, the Municipality, or its or their designee the right to enter upon the Development for the purpose of enforcing the terms of this Agreement or to prevent, remedy or abate any violation of this Agreement.

17. The Project Sponsor represents and warrants that it has obtained the consent of all existing mortgagees of the Project to the execution and recording of this Agreement and to the terms and conditions hereof and that all such mortgagees have executed the Consent to Regulatory Agreement attached hereto and made a part hereof.

18. DHCD may delegate to the Municipality any of its oversight and enforcement responsibilities under this Agreement, with the agreement of the Municipality, by providing written notice of such delegation to the Project Sponsor and the Municipality.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Executed as a sealed instrument as of the date first above written.

WENHAM PINES, LLC

By: _____
Name:
Its:

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

By: _____
Name:
Its:

TOWN OF WENHAM

By: _____
Name:
Its:

Attachments: Exhibit A - Legal Property Description
Exhibit B - Prices & Location of Low & Moderate Income Units
Exhibit C - Form of Deed Rider

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF ESSEX, ss.

_____, 2019

On this _____ day of _____, 2019, before me, the undersigned notary public, personally appeared Robert F. Tambone, proved to me through satisfactory evidence of identification, which were _____, or personally known to me, to be the person whose name is signed on the preceding document, as Manager of the Wenham Pines, LLC, and acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK, ss.

_____, 2019

On this _____ day of _____, 2019, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding document, as _____ for the Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF ESSEX, ss.

_____, 2019

On this _____ day of _____, 2019, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding document, as _____ for the Town of Wenham, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Print Name:

My Commission Expires:

**CONSENT AND SUBORDINATION OF MORTGAGE
TO REGULATORY AGREEMENT**

Reference is hereby made to a certain Commercial Mortgage, Assignment and Security Agreement dated as of May 25, 2018 given by **Wenham Pines, LLC** to **First Boston Construction Holdings, LLC**, a Delaware limited liability company, recorded with the Essex South Registry of Deeds at Book 36742, Page 367 ("Mortgage"), and an accompanying Assignment of Leases and Rents recorded with said Mortgage in Book 36742, Page 384 ("Assignment").

The Undersigned, present holder of said Mortgage and Assignment, hereby recognizes and consents to the execution and recording of this Agreement and agrees that the aforesaid Mortgage and Assignment shall be subject and subordinate to the provisions of this Agreement, to the same extent as if said Mortgage and Assignment had been registered subsequent thereto. The Undersigned further agrees that in the event of any foreclosure or exercise of remedies under said mortgage it shall comply with the terms and conditions hereof.

FIRST BOSTON CONSTRUCTION HOLDINGS,
LLC

By: _____
Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF ESSEX, ss. _____, 2019

On this _____ day of _____, 2019, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding document, as Manager of First Boston Construction Holdings, LLC, a Delaware limited liability company,, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public
Print Name:
My Commission Expires:

EXHIBIT A

Re: Wenham Pines Condominium
Wenham, MA
Wenham Pines, LLC

Property Description

First Phase Land:

The land, together with the improvements thereon, situated in the Town of Wenham, Essex County, Massachusetts being shown as Lot 1 on the plan entitled "Plan of Land in Wenham, Massachusetts" prepared by Hancock Associates, Inc. dated April 30, 2018 and recorded with the Essex South Registry of Deeds in Plan Book 465, Plan 76, consisting of approximately 8.4415 acres more or less.

For title reference see Deed to Wenham Pines, LLC dated May 23, 2018 recorded with said Registry in Book 36742, Page 281.

Remaining Land *(to be added to the Project in future phases):*

The land, together with any improvements thereon, situated in the Town of Wenham, Essex County, Massachusetts being shown as "Remaining Land of Flynn Family Enterprises Irrevocable Trust" on the Plan referenced above. Said Remaining Land consists of approximately 24.10 acres according to said Plan.

For title reference see Judgment issued in the matter of Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The Flynn Family Enterprises Irrevocable Trust v. Janice L. Flynn, Robert W. Flynn, Joanne Lee Flynn, Michael W. Flynn and Janna Lee Flynn, as Trustees of The William J. Flynn Trust, Essex County Probate Court, Docket #ES16E0167QC; see also deeds recorded with said Registry in Book 5982, Pages 439, 444, 445 and 446.

EXHIBIT B

Re: Wenham Pines Condominium
Wenham, MA
Wenham Pines, LLC

Maximum Selling Prices, Initial Condominium Fees, and Percentage Interest Assigned to Low and Moderate Income Units

	<u>Sales Price</u>	<u>Condo Fee</u>	<u>% Interest</u>
Two bedroom unit	\$150,000.00	\$150/month	TBD
Three bedroom units	\$175,000.00	\$150/month	TBD

Location of Low and Moderate Income Units

The housing units which are Low and Moderate Income Units will be located in the building shown as the "Farmhouse Building" on the site plan entitled "Wenham Pines Condominium Site Plan – Phase I" prepared by Hancock Associates, dated _____, 2019 recorded with the Essex South Registry of Deeds in Plan Book _____, Plan _____. As-built Floor Plans for the Low and Moderate Income Units will be recorded together with the applicable phasing amendment to the Master Deed of the Wenham Pines Condominium.

LOCAL INITIATIVE PROGRAM
AFFORDABLE HOUSING DEED RIDER

***For Projects in Which
Affordability Restrictions Survive Foreclosure***

made part of that certain deed (the "Deed") of certain property (the "Property") from Wenham Pines, LLC ("Grantor") to _____ ("Owner") dated _____, 200 . The Property is located in the City/Town of Wenham (the "Municipality").

RECITALS

WHEREAS, the Grantor is conveying that certain real property more particularly described in the Deed to the Owner at a consideration which is less than the fair market value of the Property; and

WHEREAS, the Property is part of a project which was: [check all that are applicable]

- (i) granted a Comprehensive Permit under Massachusetts General Laws Chapter 40B, Sections 20-23, from the Board of Appeals of the Municipality or the Housing Appeals Committee and recorded/filed with the _____ County Registry of Deeds/Registry District of Land Court (the "Registry") in Book _____, Page _____/Document No. _____ (the "Comprehensive Permit");
- (ii) ☒ subject to a Regulatory Agreement among Wenham Pines, LLC (the "Developer"), [☐] Massachusetts Housing Finance Agency ("MassHousing"), [☒] the Massachusetts Department of Housing and Community Development] ("DHCD") [☒]; and the Municipality; and _____, dated _____ and recorded/filed with the Registry in Book _____, Page _____/as Document No. _____ (the "Regulatory Agreement"); and
- (iii) ☒ subsidized by the federal or state government under the Local Initiative Program, a program to assist construction of low or moderate income housing the "Program"; and

WHEREAS, pursuant to the Program, eligible purchasers such as the Owner are given the opportunity to purchase residential property at less than its fair market value if the purchaser agrees to certain use and transfer restrictions, including an agreement to occupy the property as a ~~primary~~ ^{primary} residence, all as more fully provided herein; and

principal residence and to convey the property for an amount not greater than a maximum resale

price, all as more fully provided herein; and

WHEREAS, DHCD (singly, or if more than one entity is listed, collectively, the “Monitoring Agent”) is obligated by the Program or has been retained to monitor compliance with and to enforce the terms of this Deed Rider, and eligible purchasers such as the Owner may be required to pay to the Monitoring Agent, or its successor, a small percentage of the resale price upon the Owner’s conveyance of the Property, as set out in the Regulatory Agreement and as more fully provided herein; and

WHEREAS, the rights and restrictions granted herein to the Monitoring Agent and the Municipality serve the public’s interest in the creation and retention of affordable housing for persons and households of low and moderate income and in the restricting of the resale price of property in order to assure its affordability by future low and moderate income purchasers.

NOW, THEREFORE, as further consideration for the conveyance of the Property at less than fair market value, the Grantor and the Owner, including his/her/their heirs, successors and assigns, hereby agree that the Property shall be subject to the following rights and restrictions which are imposed for the benefit of, and shall be enforceable by, the Municipality and the Monitoring Agent, and, if DHCD is a party to the Regulatory Agreement and is not the Monitoring Agent, by DHCD.

1. Definitions. In this Deed Rider, in addition to the terms defined above, the following words and phrases shall have the following meanings:

Affordable Housing Fund means a fund established by the Municipality for the purpose of reducing the cost of housing for Eligible Purchasers or for the purpose of encouraging, creating, or subsidizing the construction or rehabilitation of housing for Eligible Purchasers or, if no such fund exists, a fund established by the Municipality pursuant to Massachusetts General Laws Chapter 44 Section 53A, et seq.

Applicable Foreclosure Price shall have the meaning set forth in Section 7(b) hereof.

Appropriate Size Household means a household containing a number of members equal to the number of bedrooms in the Property plus one.

Approved Capital Improvements means the documented commercially reasonable cost of extraordinary capital improvements made to the Property by the Owner; provided that the Monitoring Agent shall have given written authorization for incurring such cost prior to the cost being incurred and that the original cost of such improvements shall be discounted over the course of their useful life.

Area means the Primary Metropolitan Statistical Area or non-metropolitan area that includes the Municipality, as determined by HUD, which in this case is Boston – Cambridge – Quincy MA MSA.

Area Median Income means the most recently published median income for the Area adjusted for household size as determined by HUD. If HUD discontinues publication of Area Median Income, the income statistics used by MassHousing for its low and moderate income housing programs shall apply.

Base Income Number means the Area Median Income for a four (4)-person household.

Chief Executive Officer shall mean the Mayor in a city or the Board of Selectmen in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.

Closing shall have the meaning set forth in Section 5(b) hereof.

Compliance Certificate shall have the meaning set forth in Section 6(a) hereof.

Conveyance Notice shall have the meaning set forth in Section 4(a) hereof.

Eligible Purchaser means an individual or household earning no more than eighty percent (80%) of Area Median Income (or, if checked ☒ fifty percent (50%) of Area Median Income, as required by the Program) and owning assets not in excess of the limit set forth in the Program Guidelines. To be considered an Eligible Purchaser, the individual or household must intend to occupy and thereafter must occupy the Property as his, her or their principal residence and must provide to the Monitoring Agent such certifications as to income, assets and residency as the Monitoring Agent may require to determine eligibility as an Eligible Purchaser. An Eligible Purchaser shall be a First-Time Homebuyer if required by the Program and as specified in the Regulatory Agreement.

First-Time Homebuyer means an individual or household, of which no household member has had an ownership interest in a principal residence at any time during the three (3)-year period prior to the date of qualification as an Eligible Purchaser, except that (i) any individual who is a displaced homemaker (as may be defined by DHCD) (ii) and any individual age 55 or over (applying for age 55 or over housing) shall not be excluded from consideration as a First-Time Homebuyer under this definition on the basis that the individual, owned a home or had an ownership interest in a principal residence at any time during the three (3)-year period.

Foreclosure Notice shall have the meaning set forth in Section 7(a) hereof.

HUD means the United States Department of Housing and Urban Development.

Ineligible Purchaser means an individual or household not meeting the requirements to be eligible as an Eligible Purchaser.

Maximum Resale Price means the sum of (i) the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, plus (ii) the Resale Fee and any necessary marketing

expenses (including broker's fees) as may have been approved by the Monitoring Agent, plus (iii) Approved Capital Improvements, if any (the original cost of which shall have been discounted over time, as calculated by the Monitoring Agent); provided that in no event shall the Maximum Resale Price be greater than the purchase price for which a credit-worthy Eligible Purchaser earning seventy percent (70%) of the Area Median Income (or, if checked [☒] fifty percent (50%) of Area Median Income, as required by the Program) for an Appropriate Size Household could obtain mortgage financing (as such purchase price is determined by the Monitoring Agent using the same methodology then used by DHCD for its Local Initiative Program or similar comprehensive permit program); and further provided that the Maximum Resale Price shall not be less than the purchase price paid for the Property by the Owner unless the Owner agrees to accept a lesser price.

Monitoring Services Agreement means any Monitoring Services Agreement for monitoring and enforcement of this Deed Rider among some or all of the Developer, the Monitoring Agent, the Municipality, MassHousing and DHCD.

Mortgage Satisfaction Amount shall have the meaning set forth in Section 7(b) hereof.

Mortgagee shall have the meaning set forth in Section 7(a) hereof.

Program Guidelines means the regulations and/or guidelines issued for the applicable Program and controlling its operations, as amended from time to time.

Resale Fee means a fee of 2% of the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, to be paid to the Monitoring Agent as compensation for monitoring and enforcing compliance with the terms of this Deed Rider, including the supervision of the resale process.

Resale Price Certificate means the certificate issued as may be specified in the Regulatory Agreement and recorded with the first deed of the Property from the Developer, or the subsequent certificate (if any) issued as may be specified in the Regulatory Agreement, which sets forth the Resale Price Multiplier to be applied on the Owner's sale of the Property, as provided herein, for so long as the restrictions set forth herein continue. In the absence of contrary specification in the Regulatory Agreement the Monitoring Agent shall issue the certificate.

Resale Price Multiplier means the number calculated by dividing the Property's initial sale price by the Base Income Number at the time of the initial sale from the Developer to the first Eligible Purchaser. The Resale Price Multiplier will be multiplied by the Base Income Number at the time of the Owner's resale of the Property to determine the Maximum Resale Price on such conveyance subject to adjustment for the Resale Fee, marketing expenses and Approved Capital Improvements. In the event that the purchase price paid for the Property by the Owner includes such an adjustment a new Resale Price Multiplier will be recalculated by the Monitoring Agent by dividing the purchase price so paid by the Base Income Number at the time of such purchase,

and a new Resale Price Certificate will be issued and recorded reflecting the new Resale Price Multiplier. A Resale Price Multiplier of _____ is hereby assigned to the Property.

Term means in perpetuity, unless earlier terminated by (i) the termination of the term of affordability set forth in the Regulatory Agreement or Comprehensive Permit, whichever is longer; or (ii) the recording of a Compliance Certificate and a new Deed Rider executed by the purchaser in form and substance substantially identical to this Deed Rider establishing a new term.

2. Owner-Occupancy/Principal Residence. The Property shall be occupied and used by the Owner's household exclusively as his, her or their principal residence. Any use of the Property or activity thereon which is inconsistent with such exclusive residential use is expressly prohibited.

3. Restrictions Against Leasing, Refinancing and Junior Encumbrances. The Property shall not be leased, rented, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Monitoring Agent, provided that this provision shall not apply to a first mortgage granted on the date hereof in connection with this conveyance from Grantor to Owner securing indebtedness not greater than one hundred percent (100%) of the purchase price. Any rents, profits, or proceeds from any transaction described in the preceding sentence which transaction has not received the requisite written consent of the Monitoring Agent shall be paid upon demand by Owner to the Municipality for deposit to its Affordable Housing Fund. The Monitoring Agent or Municipality may institute proceedings to recover such rents, profits or proceeds, and costs of collection, including attorneys' fees. Upon recovery, after payment of costs, the balance shall be paid to the Municipality for deposit to its Affordable Housing Fund. In the event that the Monitoring Agent consents for good cause to any such lease, refinancing, encumbrance or mortgage, it shall be a condition to such consent that all rents, profits or proceeds from such transaction, which exceed the actual carrying costs of the Property as determined by the Monitoring Agent, shall be paid to the Municipality for deposit to its Affordable Housing Fund.

4. Options to Purchase. (a) When the Owner or any successor in title to the Owner shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof, the Owner shall notify the Monitoring Agent and the Municipality in writing of the Owner's intention to so convey the Property (the "Conveyance Notice"). Upon receipt of the Conveyance Notice, the Monitoring Agent shall (i) calculate the Maximum Resale Price which the Owner may receive on the sale of the Property based upon the Base Income Number in effect as of the date of the Conveyance Notice and the Resale Price Multiplier set forth in the most recently recorded Resale Price Certificate together with permissible adjustments for the Resale Fee, marketing expenses and Approved Capital Improvements (as discounted), and (ii) promptly begin marketing efforts. The Owner shall fully cooperate with the Monitoring Agent's efforts to locate an Eligible Purchaser and, if so requested by the Monitoring Agent, shall hire a broker selected by the Monitoring Agent to assist in locating an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price after entering a purchase and sale

agreement. Pursuant to such agreement, sale to the Eligible Purchaser at the Maximum Resale Price shall occur within ninety (90) days after the Monitoring Agent receives the Conveyance Notice or such further time as reasonably requested to arrange for details of closing. If the Owner fails to cooperate in such resale efforts, including a failure to agree to reasonable terms in the purchase and sale agreement, the Monitoring Agent may extend the 90-day period for a period commensurate with the time the lack of cooperation continues, as determined by the Monitoring Agent in its reasonable discretion. In such event, the Monitoring Agent shall give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period.

(b) The Monitoring Agent shall ensure that diligent marketing efforts are made to locate an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price within the time period provided in subsection (a) above and to enter the requisite purchase and sale agreement. If more than one Eligible Purchaser is located, the Monitoring Agent shall conduct a lottery or other like procedure to determine which Eligible Purchaser shall be entitled to enter a purchase and sale agreement with Owner and to purchase the Property. Preference shall be given to Appropriate Size Households. The procedure for marketing and selecting an Eligible Purchaser shall be approved as provided in the Regulatory Agreement and any applicable Program Guidelines. If an Eligible Purchaser is located within ninety (90) days after receipt of the Conveyance Notice, but such Eligible Purchaser proves unable to secure mortgage financing so as to be able to complete the purchase of the Property pursuant to the purchase and sale agreement, following written notice to Owner within the 90-day period the Monitoring Agent shall have an additional sixty (60) days to locate another Eligible Purchaser who will enter a purchase and sale agreement and purchase the Property by the end of such sixty (60)-day period or such further time as reasonably requested to carry out the purchase and sale agreement.

(c) In lieu of sale to an Eligible Purchaser, the Monitoring Agent or the Municipality or designee shall also have the right to purchase the Property at the Maximum Resale Price, in which event the purchase and sale agreement shall be entered, and the purchase shall occur within ninety (90) days after receipt of the Conveyance Notice or, within the additional sixty (60)-day period specified in subsection (b) above, or such further time as reasonably requested to carry out the purchase and sale agreement. Any lack of cooperation by Owner in measures reasonably necessary to effect the sale shall extend the 90-day period by the length of the delay caused by such lack of cooperation. The Monitoring Agent shall promptly give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period. In the event of such a sale to the Monitoring Agent or Municipality or designee, the Property shall remain subject to this Deed Rider and shall thereafter be sold or rented to an Eligible Purchaser as may be more particularly set forth in the Regulatory Agreement.

(d) If an Eligible Purchaser fails to purchase the Property within the 90-day period (or such further time determined as provided herein) after receipt of the Conveyance Notice, and the Monitoring Agent or Municipality or designee does not purchase the Property during said period, then the Owner may convey the Property to an Ineligible Purchaser no earlier than thirty (30) days after the end of said period at the Maximum Resale Price, but subject to all rights and

restrictions contained herein; provided that the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner agrees to execute, to secure execution by the Ineligible Purchaser and to record with the Deed; and further provided that, if more than one Ineligible Purchaser is ready, willing and able to purchase the Property the Owner will give preference and enter a purchase and sale agreement with any individuals or households identified by the Monitoring Agent as an Appropriate Size Household earning more than eighty percent (80%) but less than one hundred twenty percent (120%) of the Area Median Income.

(e) The priority for exercising the options to purchase contained in this Section 4 shall be as follows: (i) an Eligible Purchaser located and selected by the Monitoring Agent, as provided in subsection (b) above, (ii) the Municipality or its designee, as provided in subsection (c) above, and (iii) an Ineligible Purchaser, as provided in subsection (d) above.

(f) Nothing in this Deed Rider or the Regulatory Agreement constitutes a promise, commitment or guarantee by DHCD, MassHousing, the Municipality or the Monitoring Agent that upon resale the Owner shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

(g) The holder of a mortgage on the Property is not obligated to forbear from exercising the rights and remedies under its mortgage, at law or in equity, after delivery of the Conveyance Notice.

5. Delivery of Deed. (a) In connection with any conveyance pursuant to an option to purchase as set forth in Section 4 above, the Property shall be conveyed by the Owner to the selected purchaser by a good and sufficient quitclaim deed conveying a good and clear record and marketable title to the Property free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Conveyance Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the deed from the Owner to the selected purchaser, (v) such additional easements, restrictions, covenants and agreements of record as the selected purchaser consents to, such consent not to be unreasonably withheld or delayed, (vi) the Regulatory Agreement, and (vii), except as otherwise provided in the Compliance Certificate, a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the selected purchaser, and to record with the deed. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the selected purchaser or the enforceability of the restrictions herein.

(b) Said deed, including the approved Deed Rider, shall be delivered and the purchase price paid (the "Closing") at the Registry, or at the option of the selected purchaser, exercised by written notice to the Owner at least five (5) days prior to the delivery of the deed, at such other place as the selected purchaser may designate in said notice. The Closing shall occur at such

time and on such date as shall be specified in a written notice from the selected purchaser to the Owner, which date shall be at least five (5) days after the date on which such notice is given, and no later than the end of the time period specified in Section 4(a) above.

(c) To enable Owner to make conveyance as herein provided, Owner may, if Owner so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, all instruments with respect thereto to be recorded simultaneously with the delivery of said deed. Nothing contained herein as to the Owner's obligation to remove defects in title or to make conveyance or to deliver possession of the Property in accordance with the terms hereof, as to use of proceeds to clear title or as to the election of the selected purchaser to take title, nor anything else in this Deed Rider shall be deemed to waive, impair or otherwise affect the priority of the rights herein over matters appearing of record, or occurring, at any time after the recording of this Deed Rider, all such matters so appearing or occurring being subject and subordinate in all events to the rights herein.

(d) Water and sewer charges and taxes for the then current tax period shall be apportioned and fuel value shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the selected purchaser.

(e) Full possession of the Property free from all occupants is to be delivered at the time of the Closing, the Property to be then in the same condition as it is in on the date of the execution of the purchase and sale agreement, reasonable wear and tear only excepted.

(f) If Owner shall be unable to give title or to make conveyance as above required, or if any change of condition in the Property not included in the above exception shall occur, then Owner shall be given a reasonable time not to exceed thirty (30) days after the date on which the Closing was to have occurred in which to remove any defect in title or to restore the Property to the condition herein required. The Owner shall use best efforts to remove any such defects in the title, whether voluntary or involuntary, and to restore the Property to the extent permitted by insurance proceeds or condemnation award. The Closing shall occur fifteen (15) days after notice by Owner that such defect has been cured or that the Property has been so restored. The selected purchaser shall have the election, at either the original or any extended time for performance, to accept such title as the Owner can deliver to the Property in its then condition and to pay therefor the purchase price without deduction, in which case the Owner shall convey such title, except that in the event of such conveyance in accordance with the provisions of this clause, if the Property shall have been damaged by fire or casualty insured against or if a portion of the Property shall have been taken by a public authority, then the Owner shall, unless the Owner has previously restored the Property to its former condition, either:

(A) pay over or assign to the selected purchaser, on delivery of the deed, all amounts recovered or recoverable on account of such insurance or condemnation award less any amounts reasonably expended by the Owner for any partial restoration, or

(B) if a holder of a mortgage on the Property shall not permit the insurance proceeds or the condemnation award or part thereof to be used to restore the Property to its former condition or to be so paid over or assigned, give to the selected purchaser a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonably expended by the Owner for any partial restoration.

6. Resale and Transfer Restrictions. (a) Except as otherwise provided herein, the Property or any interest therein shall not at any time be sold by the Owner, or the Owner's successors and assigns, and no attempted sale shall be valid, unless the aggregate value of all consideration and payments of every kind given or paid by the selected purchaser of the Property for and in connection with the transfer of such Property, is equal to or less than the Maximum Resale Price for the Property, and unless a certificate (the "Compliance Certificate") is obtained and recorded, signed and acknowledged by the Monitoring Agent which Compliance Certificate refers to the Property, the Owner, the selected purchaser thereof, and the Maximum Resale Price therefor, and states that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and unless there is also recorded a new Deed Rider executed by the selected purchaser, which new Deed Rider is identical in form and substance to this Deed Rider.

(b) The Owner, any good faith purchaser of the Property, any lender or other party taking a security interest in such Property and any other third party may rely upon a Compliance Certificate as conclusive evidence that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and may record such Compliance Certificate in connection with the conveyance of the Property.

(c) Within ten (10) days of the closing of the conveyance of the Property from the Owner to the selected purchaser, the Owner shall deliver to the Monitoring Agent a copy of the Deed of the Property, including the deed rider, together with recording information. Failure of the Owner, or Owner's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance or the enforceability of the restrictions herein.

7. Survival of Restrictions Upon Exercise of Remedies by Mortgagees. (a) The holder of record of any mortgage on the Property (each, a "Mortgagee") shall notify the Monitoring Agent, the Municipality and any senior Mortgagee(s) in the event of any default for which the Mortgagee intends to commence foreclosure proceedings or similar remedial action pursuant to its mortgage (the "Foreclosure Notice"), which notice shall be sent to the Monitoring Agent and the Municipality as set forth in this Deed Rider, and to the senior Mortgagee(s) as set forth in such senior Mortgagee's mortgage, not less than one hundred twenty (120) days prior to the foreclosure sale or the acceptance of a deed in lieu of foreclosure. The Owner expressly agrees to the delivery of the Foreclosure Notice and any other communications and disclosures made by the Mortgagee pursuant to this Deed Rider.

(b) The Owner grants to the Municipality or its designee the right and option to purchase the Property upon receipt by the Municipality of the Foreclosure Notice. In the event that the Municipality intends to exercise its option, the Municipality or its designee shall purchase the Property within one hundred twenty (120) days of receipt of such notice, at a price equal to the greater of (i) the sum of the outstanding principal balance of the note secured by such foreclosing Mortgagee's mortgage, together with the outstanding principal balance(s) of any note(s) secured by mortgage(s) senior in priority to such mortgage (but in no event shall the aggregate amount thereof be greater than one hundred percent (100%) of the Maximum Resale Price calculated at the time of the granting of the mortgage) plus all future advances, accrued interest and all reasonable costs and expenses which the foreclosing Mortgagee and any senior Mortgagee(s) are entitled to recover pursuant to the terms of such mortgages (the "Mortgage Satisfaction Amount"), and (ii) the Maximum Resale Price (which for this purpose may be less than the purchase price paid for the Property by the Owner)(the greater of (i) and (ii) above herein referred to as the "Applicable Foreclosure Price"). The Property shall be sold and conveyed in its then-current "as is, where is" condition, without representation or warranty of any kind, direct or indirect, express or implied, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, housing code violations, public assessments, any and all unpaid federal or state taxes (subject to any rights of redemption for unpaid federal taxes), municipal liens and any other encumbrances of record then in force and applicable to the Property having priority over such foreclosing Mortgagee's mortgage, and further subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the Municipality or its designee, and to record with the deed, except that (i) during the term of ownership of the Property by the Municipality or its designee the owner-occupancy requirements of Section 2 hereof shall not apply (unless the designee is an Eligible Purchaser), and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by the Municipality or its designee, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the Municipality or its designee or the enforceability of the restrictions herein.

(c) Not earlier than one hundred twenty (120) days following the delivery of the Foreclosure Notice to the Monitoring Agent, the Municipality and any senior Mortgagee(s) pursuant to subsection (a) above, the foreclosing Mortgagee may conduct the foreclosure sale or accept a deed in lieu of foreclosure. The Property shall be sold and conveyed in its then-current "as is, where is" condition, without representation or warranty of any kind, direct or indirect, express or implied, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, housing code violations, public assessments, any and all unpaid federal or state taxes (subject to any rights of redemption for unpaid federal taxes), municipal liens and any other encumbrances of record then in force and applicable to the Property having priority over the foreclosing Mortgagee's mortgage, and further subject to a Deed Rider, as set forth below.

(d) In the event that the foreclosing Mortgagee conducts a foreclosure sale or other proceeding enforcing its rights under its mortgage and the Property is sold for a price in excess of the greater of the Maximum Resale Price and the Mortgage Satisfaction Amount, such excess shall be paid to the Municipality for its Affordable Housing Fund after (i) a final judicial determination, or (ii) a written agreement of all parties who, as of such date hold (or have been duly authorized to act for other parties who hold) a record interest in the Property, that the Municipality is entitled to such excess. The legal costs of obtaining any such judicial determination or agreement shall be deducted from the excess prior to payment to the Municipality. To the extent that the Owner possesses any interest in any amount which would otherwise be payable to the Municipality under this paragraph, to the fullest extent permissible by law, the Owner hereby assigns its interest in such amount to the Mortgagee for payment to the Municipality.

(e) If any Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, then the rights and restrictions contained herein shall apply to such Mortgagee upon such acquisition of the Property and to any purchaser of the Property from such Mortgagee, and the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider, which the Mortgagee that has so acquired the Property agrees to annex to the deed and to record with the deed, except that (i) during the term of ownership of the Property by such Mortgagee the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by such Mortgagee at the foreclosure sale, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to the Mortgagee or the enforceability of the restrictions herein.

(f) If any party other than a Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider, which the foreclosing Mortgagee agrees to annex to the deed and to record with the deed, except that (i) if the purchaser at such foreclosure sale or assignee of a deed in lieu of foreclosure is an Ineligible Purchaser, then during the term of ownership of the Property by such Ineligible Purchaser, the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by such third party purchaser at the foreclosure sale, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to such third party purchaser or the enforceability of the restrictions herein.

(g) Upon satisfaction of the requirements contained in this Section 7, the Monitoring Agent shall issue a Compliance Certificate to the foreclosing Mortgagee which, upon recording in the Registry, may be relied upon as provided in Section 6(b) hereof as conclusive evidence

that the conveyance of the Property pursuant to this Section 7 is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider.

(h) The Owner understands and agrees that nothing in this Deed Rider or the Regulatory Agreement (i) in any way constitutes a promise or guarantee by MassHousing, DHCD, the Municipality or the Monitoring Agent that the Mortgagee shall actually receive the Mortgage Satisfaction Amount, the Maximum Resale Price for the Property or any other price for the Property, or (ii) impairs the rights and remedies of the Mortgagee in the event of a deficiency.

(i) If a Foreclosure Notice is delivered after the delivery of a Conveyance Notice as provided in Section 4(a) hereof, the procedures set forth in this Section 7 shall supersede the provisions of Section 4 hereof.

8. Covenants to Run With the Property. (a) This Deed Rider, including all restrictions, rights and covenants contained herein, is an affordable housing restriction as that term is defined in Section 31 of Chapter 184 of the Massachusetts General Laws, having the benefit of Section 32 of such Chapter 184, and is enforceable as such. This Deed Rider has been approved by the Director of DHCD.

(b) In confirmation thereof the Grantor and the Owner intend, declare and covenant (i) that this Deed Rider, including all restrictions, rights and covenants contained herein, shall be and are covenants running with the land, encumbering the Property for the Term, and are binding upon the Owner and the Owner's successors in title and assigns, (ii) are not merely personal covenants of the Owner, and (iii) shall enure to the benefit of and be enforceable by the Municipality, the Monitoring Agent and DHCD and their successors and assigns, for the Term. Owner hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts have been satisfied in order for the provisions of this Deed Rider to constitute restrictions and covenants running with the land and that any requirements of privity of estate have been satisfied in full.

9. Notice. Any notices, demands or requests that may be given under this Deed Rider shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the following entities and parties in interest at the addresses set forth below, or such other addresses as may be specified by any party (or its successor) by such notice.

Municipality:

Grantor:

Owner:

Monitoring Agent[s]

- (1) Director, Local Initiative Program
DHCD
100 Cambridge Street
Suite 300
Boston, MA 02114

(2)

Others:

Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

10. Further Assurances. The Owner agrees from time to time, as may be reasonably required by the Monitoring Agent, to furnish the Monitoring Agent upon its request with a written statement, signed and, if requested, acknowledged, setting forth the condition and occupancy of the Property, information concerning the resale of the Property and other material information pertaining to the Property and the Owner's conformance with the requirements of the Comprehensive Permit, Program and Program Guidelines, as applicable.

11. Enforcement. (a) The rights hereby granted shall include the right of the Municipality and the Monitoring Agent to enforce this Deed Rider independently by appropriate legal proceedings and to obtain injunctive and other appropriate relief on account of any violations including without limitation relief requiring restoration of the Property to the condition, affordability or occupancy which existed prior to the violation impacting such condition, affordability or occupancy (it being agreed that there shall be no adequate remedy at law for such violation), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Municipality and the Monitoring Agent.

(b) Without limitation of any other rights or remedies of the Municipality and the Monitoring Agent, or their successors and assigns, in the event of any sale, conveyance or other transfer or occupancy of the Property in violation of the provisions of this Deed Rider, the Municipality and Monitoring Agent shall be entitled to the following remedies, which shall be cumulative and not mutually exclusive:

- (i) specific performance of the provisions of this Deed Rider;
- (ii) money damages for charges in excess of the Maximum Resale Price, if applicable;
- (iii) if the violation is a sale of the Property to an Ineligible Purchaser except as permitted herein, the Monitoring Agent and the Municipality shall have the option to locate an Eligible Purchaser to purchase or itself purchase the Property from the Ineligible Purchaser on the terms and conditions provided herein; the purchase price shall be a price which complies with the provisions of this Deed Rider; specific performance of the requirement that an Ineligible Purchaser shall sell, as herein provided, may be judicially ordered.
- (iv) the right to void any contract for sale or any sale, conveyance or other transfer of the Property in violation of the provisions of this Deed Rider in the absence of a Compliance Certificate, by an action in equity to enforce this Deed Rider; and
- (v) money damages for the cost of creating or obtaining a comparable dwelling unit for an Eligible Purchaser.

(c) In addition to the foregoing, the Owner hereby agrees and shall be obligated to pay all fees and expenses (including legal fees) of the Monitoring Agent and/or the Municipality in the event successful enforcement action is taken against the Owner or Owner's successors or assigns. The Owner hereby grants to the Monitoring Agent and the Municipality a lien on the Property, junior to the lien of any institutional holder of a first mortgage on the Property, to secure payment of such fees and expenses in any successful enforcement action. The Monitoring Agent and the Municipality shall be entitled to seek recovery of fees and expenses incurred in a successful enforcement action of this Deed Rider against the Owner and to assert such a lien on the Property to secure payment by the Owner of such fees and expenses. Notwithstanding anything herein to the contrary, in the event that the Monitoring Agent and/or Municipality fails to enforce this Deed Rider as provided in this Section, DHCD, if it is not named as Monitoring Agent, shall have the same rights and standing to enforce this Deed Rider as the Municipality and Monitoring Agent.

(d) The Owner for himself, herself or themselves and his, her or their successors and assigns, hereby grants to the Monitoring Agent and the Municipality the right to take all actions with respect to the Property which the Monitoring Agent or Municipality may determine to be necessary or appropriate pursuant to applicable law, court order, or the consent of the Owner to prevent, remedy or abate any violation of this Deed Rider.

12. Monitoring Agent Services; Fees. The Monitoring Agent shall monitor compliance of the Project and enforce the requirements of this Deed Rider. As partial compensation for providing these services, a Resale Fee [☒] shall [☐] shall not be payable to the Monitoring Agent on the sale of the Property to an Eligible Purchaser or any other purchaser in

accordance with the terms of this Deed Rider. This fee, if imposed, shall be paid by the Owner herein as a closing cost at the time of Closing, and payment of the fee to the Monitoring Agent shall be a condition to delivery and recording of its certificate, failing which the Monitoring Agent shall have a claim against the new purchaser, his, her or their successors or assigns, for which the Monitoring Agent may bring an action and may seek an attachment against the Property.

13. Actions by Municipality. Any action required or allowed to be taken by the Municipality hereunder shall be taken by the Municipality's Chief Executive Officer or designee.

14. Severability. If any provisions hereof or the application thereof to any person or circumstance are judicially determined, to any extent, to be invalid or unenforceable, the remainder hereof, or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

15. Independent Counsel. THE OWNER ACKNOWLEDGES THAT HE, SHE, OR THEY HAVE READ THIS DOCUMENT IN ITS ENTIRETY AND HAS HAD THE OPPORTUNITY TO CONSULT LEGAL AND FINANCIAL ADVISORS OF HIS, HER OR THEIR CHOOSING REGARDING THE EXECUTION, DELIVERY AND PERFORMANCE OF THE OBLIGATIONS HEREUNDER.

16. Binding Agreement. This Deed Rider shall bind and inure to the benefit of the persons, entities and parties named herein and their successors or assigns as are permitted by this Deed Rider.

17. Amendment. This Deed Rider may not be rescinded, modified or amended, in whole or in part, without the written consent of the Monitoring Agent, the Municipality and the holder of any mortgage or other security instrument encumbering all or any portion of the Property, which written consent shall be recorded with the Registry.

Executed as a sealed instrument this _____ day of _____, 200 .

Grantor:

Owner:

By _____

By _____

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of _____, 200 , before me, the undersigned notary public, personally appeared _____, the _____ of _____ in its capacity as the _____ of _____, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of _____ as _____ of _____.

Notary Public
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of _____, 200 , before me, the undersigned notary public, personally appeared _____, the _____ of _____ in its capacity as the _____ of _____, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of _____ as _____ of _____.

Notary Public
My commission expires:

LOCAL INITIATIVE PROGRAM
AFFORDABLE HOUSING DEED RIDER

*For Projects in Which
Affordability Restrictions Survive Foreclosure*

made part of that certain deed (the "Deed") of certain property (the "Property") from Wenham Pines, LLC("Grantor") to ("Owner") dated _____, 200_____.
. The Property is located in the Town of Wenham (the "Municipality").

RECITALS

WHEREAS, the Grantor is conveying that certain real property more particularly described in the Deed to the Owner at a consideration which is less than the fair market value of the Property; and

WHEREAS, the Property is part of a project which was: [check all that are applicable]

- (i) granted a Comprehensive Permit under Massachusetts General Laws Chapter 40B, Sections 20-23, from the Board of Appeals of the Municipality or the Housing Appeals Committee and recorded/filed with the _____ County Registry of Deeds/Registry District of Land Court (the "Registry") in Book _____, Page _____/Document No. _____ (the "Comprehensive Permit");
- (ii) ☒ subject to a Regulatory Agreement among Wenham Pines, LLC(the "Developer"), [☐] Massachusetts Housing Finance Agency ("MassHousing"), [☒] the Massachusetts Department of Housing and Community Development] ("DHCD") [☒]; and the Municipality dated _____ and recorded/filed with the Registry in Book _____, Page/as Document No. _____ (the "Regulatory Agreement"); and
- (iii) ☒ subsidized by the federal or state government under the Local Initiative Program, a program to assist construction of low or moderate income housing the "Program"; and

WHEREAS, pursuant to the Program, eligible purchasers such as the Owner are given the opportunity to purchase residential property at less than its fair market value if the purchaser agrees to certain use and transfer restrictions, including an agreement to occupy the property as a principal residence and to convey the property for an amount not greater than a maximum resale price, all as more fully provided herein; and

WHEREAS, DHCD (singly, or if more than one entity is listed, collectively, the “Monitoring Agent”) is obligated by the Program or has been retained to monitor compliance with and to enforce the terms of this Deed Rider, and eligible purchasers such as the Owner may be required to pay to the Monitoring Agent, or its successor, a small percentage of the resale price upon the Owner’s conveyance of the Property, as set out in the Regulatory Agreement and as more fully provided herein; and

WHEREAS, the rights and restrictions granted herein to the Monitoring Agent and the Municipality serve the public’s interest in the creation and retention of affordable housing for persons and households of low and moderate income and in the restricting of the resale price of property in order to assure its affordability by future low and moderate income purchasers.

NOW, THEREFORE, as further consideration for the conveyance of the Property at less than fair market value, the Grantor and the Owner, including his/her/their heirs, successors and assigns, hereby agree that the Property shall be subject to the following rights and restrictions which are imposed for the benefit of, and shall be enforceable by, the Municipality and the Monitoring Agent, and, if DHCD is a party to the Regulatory Agreement and is not the Monitoring Agent, by DHCD.

1. Definitions. In this Deed Rider, in addition to the terms defined above, the following words and phrases shall have the following meanings:

Affordable Housing Fund means a fund established by the Municipality for the purpose of reducing the cost of housing for Eligible Purchasers or for the purpose of encouraging, creating, or subsidizing the construction or rehabilitation of housing for Eligible Purchasers or, if no such fund exists, a fund established by the Municipality pursuant to Massachusetts General Laws Chapter 44 Section 53A, et seq.

Applicable Foreclosure Price shall have the meaning set forth in Section 7(b) hereof.

Appropriate Size Household means a household containing a number of members equal to the number of bedrooms in the Property plus one.

Approved Capital Improvements means the documented commercially reasonable cost of extraordinary capital improvements made to the Property by the Owner; provided that the Monitoring Agent shall have given written authorization for incurring such cost prior to the cost being incurred and that the original cost of such improvements shall be discounted over the course of their useful life.

Area means the Primary Metropolitan Statistical Area or non-metropolitan area that includes the Municipality, as determined by HUD, which in this case is Boston – Cambridge – Quincy MA MSA.

Area Median Income means the most recently published median income for the Area adjusted for household size as determined by HUD. If HUD discontinues publication of Area Median Income, the income statistics used by MassHousing for its low and moderate income housing programs shall apply.

Base Income Number means the Area Median Income for a four (4)-person household.

Chief Executive Officer shall mean the Mayor in a city or the Board of Selectmen in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.

Closing shall have the meaning set forth in Section 5(b) hereof.

Compliance Certificate shall have the meaning set forth in Section 6(a) hereof.

Conveyance Notice shall have the meaning set forth in Section 4(a) hereof.

Eligible Purchaser means an individual or household earning no more than eighty percent (80%) of Area Median Income (or, if checked [☒] fifty percent (50%) of Area Median Income, as required by the Program) and owning assets not in excess of the limit set forth in the Program Guidelines. To be considered an Eligible Purchaser, the individual or household must intend to occupy and thereafter must occupy the Property as his, her or their principal residence and must provide to the Monitoring Agent such certifications as to income, assets and residency as the Monitoring Agent may require to determine eligibility as an Eligible Purchaser. An Eligible Purchaser shall be a First-Time Homebuyer if required by the Program and as specified in the Regulatory Agreement.

First-Time Homebuyer means an individual or household, of which no household member has had an ownership interest in a principal residence at any time during the three (3)-year period prior to the date of qualification as an Eligible Purchaser, except that (i) any individual who is a displaced homemaker (as may be defined by DHCD) (ii) and any individual age 55 or over (applying for age 55 or over housing) shall not be excluded from consideration as a First-Time Homebuyer under this definition on the basis that the individual, owned a home or had an ownership interest in a principal residence at any time during the three (3)-year period.

Foreclosure Notice shall have the meaning set forth in Section 7(a) hereof.

HUD means the United States Department of Housing and Urban Development.

Ineligible Purchaser means an individual or household not meeting the requirements to be eligible as an Eligible Purchaser.

Maximum Resale Price means the sum of (i) the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, plus (ii) the Resale Fee and any necessary marketing

expenses (including broker's fees) as may have been approved by the Monitoring Agent, plus (iii) Approved Capital Improvements, if any (the original cost of which shall have been discounted over time, as calculated by the Monitoring Agent); provided that in no event shall the Maximum Resale Price be greater than the purchase price for which a credit-worthy Eligible Purchaser earning seventy percent (70%) of the Area Median Income (or, if checked [☒] fifty percent (50%) of Area Median Income, as required by the Program) for an Appropriate Size Household could obtain mortgage financing (as such purchase price is determined by the Monitoring Agent using the same methodology then used by DHCD for its Local Initiative Program or similar comprehensive permit program); and further provided that the Maximum Resale Price shall not be less than the purchase price paid for the Property by the Owner unless the Owner agrees to accept a lesser price.

Monitoring Services Agreement means any Monitoring Services Agreement for monitoring and enforcement of this Deed Rider among some or all of the Developer, the Monitoring Agent, the Municipality, MassHousing and DHCD.

Mortgage Satisfaction Amount shall have the meaning set forth in Section 7(b) hereof.

Mortgagee shall have the meaning set forth in Section 7(a) hereof.

Program Guidelines means the regulations and/or guidelines issued for the applicable Program and controlling its operations, as amended from time to time.

Resale Fee means a fee of 2% of the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, to be paid to the Monitoring Agent as compensation for monitoring and enforcing compliance with the terms of this Deed Rider, including the supervision of the resale process.

Resale Price Certificate means the certificate issued as may be specified in the Regulatory Agreement and recorded with the first deed of the Property from the Developer, or the subsequent certificate (if any) issued as may be specified in the Regulatory Agreement, which sets forth the Resale Price Multiplier to be applied on the Owner's sale of the Property, as provided herein, for so long as the restrictions set forth herein continue. In the absence of contrary specification in the Regulatory Agreement the Monitoring Agent shall issue the certificate.

Resale Price Multiplier means the number calculated by dividing the Property's initial sale price by the Base Income Number at the time of the initial sale from the Developer to the first Eligible Purchaser. The Resale Price Multiplier will be multiplied by the Base Income Number at the time of the Owner's resale of the Property to determine the Maximum Resale Price on such conveyance subject to adjustment for the Resale Fee, marketing expenses and Approved Capital Improvements. In the event that the purchase price paid for the Property by the Owner includes such an adjustment a new Resale Price Multiplier will be recalculated by the Monitoring Agent by dividing the purchase price so paid by the Base Income Number at the time of such purchase,

and a new Resale Price Certificate will be issued and recorded reflecting the new Resale Price Multiplier. A Resale Price Multiplier of _____ is hereby assigned to the Property.

Term means in perpetuity, unless earlier terminated by (i) the termination of the term of affordability set forth in the Regulatory Agreement or Comprehensive Permit, whichever is longer; or (ii) the recording of a Compliance Certificate and a new Deed Rider executed by the purchaser in form and substance substantially identical to this Deed Rider establishing a new term.

2. Owner-Occupancy/Principal Residence. The Property shall be occupied and used by the Owner's household exclusively as his, her or their principal residence. Any use of the Property or activity thereon which is inconsistent with such exclusive residential use is expressly prohibited.

3. Restrictions Against Leasing, Refinancing and Junior Encumbrances. The Property shall not be leased, rented, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Monitoring Agent; provided that this provision shall not apply to a first mortgage granted on the date hereof in connection with this conveyance from Grantor to Owner securing indebtedness not greater than one hundred percent (100%) of the purchase price. Any rents, profits, or proceeds from any transaction described in the preceding sentence which transaction has not received the requisite written consent of the Monitoring Agent shall be paid upon demand by Owner to the Municipality for deposit to its Affordable Housing Fund. The Monitoring Agent or Municipality may institute proceedings to recover such rents, profits or proceeds, and costs of collection, including attorneys' fees. Upon recovery, after payment of costs, the balance shall be paid to the Municipality for deposit to its Affordable Housing Fund. In the event that the Monitoring Agent consents for good cause to any such lease, refinancing, encumbrance or mortgage, it shall be a condition to such consent that all rents, profits or proceeds from such transaction, which exceed the actual carrying costs of the Property as determined by the Monitoring Agent, shall be paid to the Municipality for deposit to its Affordable Housing Fund.

4. Options to Purchase. (a) When the Owner or any successor in title to the Owner shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof, the Owner shall notify the Monitoring Agent and the Municipality in writing of the Owner's intention to so convey the Property (the "Conveyance Notice"). Upon receipt of the Conveyance Notice, the Monitoring Agent shall (i) calculate the Maximum Resale Price which the Owner may receive on the sale of the Property based upon the Base Income Number in effect as of the date of the Conveyance Notice and the Resale Price Multiplier set forth in the most recently recorded Resale Price Certificate together with permissible adjustments for the Resale Fee, marketing expenses and Approved Capital Improvements (as discounted), and (ii) promptly begin marketing efforts. The Owner shall fully cooperate with the Monitoring Agent's efforts to locate an Eligible Purchaser and, if so requested by the Monitoring Agent, shall hire a broker selected by the Monitoring Agent to assist in locating an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price after entering a purchase and sale

agreement. Pursuant to such agreement, sale to the Eligible Purchaser at the Maximum Resale Price shall occur within ninety (90) days after the Monitoring Agent receives the Conveyance Notice or such further time as reasonably requested to arrange for details of closing. If the Owner fails to cooperate in such resale efforts, including a failure to agree to reasonable terms in the purchase and sale agreement, the Monitoring Agent may extend the 90-day period for a period commensurate with the time the lack of cooperation continues, as determined by the Monitoring Agent in its reasonable discretion. In such event, the Monitoring Agent shall give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period.

(b) The Monitoring Agent shall ensure that diligent marketing efforts are made to locate an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price within the time period provided in subsection (a) above and to enter the requisite purchase and sale agreement. If more than one Eligible Purchaser is located, the Monitoring Agent shall conduct a lottery or other like procedure to determine which Eligible Purchaser shall be entitled to enter a purchase and sale agreement with Owner and to purchase the Property. Preference shall be given to Appropriate Size Households. The procedure for marketing and selecting an Eligible Purchaser shall be approved as provided in the Regulatory Agreement and any applicable Program Guidelines. If an Eligible Purchaser is located within ninety (90) days after receipt of the Conveyance Notice, but such Eligible Purchaser proves unable to secure mortgage financing so as to be able to complete the purchase of the Property pursuant to the purchase and sale agreement, following written notice to Owner within the 90-day period the Monitoring Agent shall have an additional sixty (60) days to locate another Eligible Purchaser who will enter a purchase and sale agreement and purchase the Property by the end of such sixty (60)-day period or such further time as reasonably requested to carry out the purchase and sale agreement.

(c) In lieu of sale to an Eligible Purchaser, the Monitoring Agent or the Municipality or designee shall also have the right to purchase the Property at the Maximum Resale Price, in which event the purchase and sale agreement shall be entered, and the purchase shall occur within ninety (90) days after receipt of the Conveyance Notice or, within the additional sixty (60)-day period specified in subsection (b) above, or such further time as reasonably requested to carry out the purchase and sale agreement. Any lack of cooperation by Owner in measures reasonably necessary to effect the sale shall extend the 90-day period by the length of the delay caused by such lack of cooperation. The Monitoring Agent shall promptly give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period. In the event of such a sale to the Monitoring Agent or Municipality or designee, the Property shall remain subject to this Deed Rider and shall thereafter be sold or rented to an Eligible Purchaser as may be more particularly set forth in the Regulatory Agreement.

(d) If an Eligible Purchaser fails to purchase the Property within the 90-day period (or such further time determined as provided herein) after receipt of the Conveyance Notice, and the Monitoring Agent or Municipality or designee does not purchase the Property during said period, then the Owner may convey the Property to an Ineligible Purchaser no earlier than thirty (30) days after the end of said period at the Maximum Resale Price, but subject to all rights and

restrictions contained herein; provided that the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner agrees to execute, to secure execution by the Ineligible Purchaser and to record with the Deed; and further provided that, if more than one Ineligible Purchaser is ready, willing and able to purchase the Property the Owner will give preference and enter a purchase and sale agreement with any individuals or households identified by the Monitoring Agent as an Appropriate Size Household earning more than eighty percent (80%) but less than one hundred twenty percent (120%) of the Area Median Income.

(e) The priority for exercising the options to purchase contained in this Section 4 shall be as follows: (i) an Eligible Purchaser located and selected by the Monitoring Agent, as provided in subsection (b) above, (ii) the Municipality or its designee, as provided in subsection (c) above, and (iii) an Ineligible Purchaser, as provided in subsection (d) above.

(f) Nothing in this Deed Rider or the Regulatory Agreement constitutes a promise, commitment or guarantee by DHCD, MassHousing, the Municipality or the Monitoring Agent that upon resale the Owner shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

(g) The holder of a mortgage on the Property is not obligated to forbear from exercising the rights and remedies under its mortgage, at law or in equity, after delivery of the Conveyance Notice.

5. Delivery of Deed. (a) In connection with any conveyance pursuant to an option to purchase as set forth in Section 4 above, the Property shall be conveyed by the Owner to the selected purchaser by a good and sufficient quitclaim deed conveying a good and clear record and marketable title to the Property free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Conveyance Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the deed from the Owner to the selected purchaser, (v) such additional easements, restrictions, covenants and agreements of record as the selected purchaser consents to, such consent not to be unreasonably withheld or delayed, (vi) the Regulatory Agreement, and (vii), except as otherwise provided in the Compliance Certificate, a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the selected purchaser, and to record with the deed. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the selected purchaser or the enforceability of the restrictions herein.

(b) Said deed, including the approved Deed Rider, shall be delivered and the purchase price paid (the "Closing") at the Registry, or at the option of the selected purchaser, exercised by written notice to the Owner at least five (5) days prior to the delivery of the deed, at such other place as the selected purchaser may designate in said notice. The Closing shall occur at such

time and on such date as shall be specified in a written notice from the selected purchaser to the Owner, which date shall be at least five (5) days after the date on which such notice is given, and no later than the end of the time period specified in Section 4(a) above.

(c) To enable Owner to make conveyance as herein provided, Owner may, if Owner so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, all instruments with respect thereto to be recorded simultaneously with the delivery of said deed. Nothing contained herein as to the Owner's obligation to remove defects in title or to make conveyance or to deliver possession of the Property in accordance with the terms hereof, as to use of proceeds to clear title or as to the election of the selected purchaser to take title, nor anything else in this Deed Rider shall be deemed to waive, impair or otherwise affect the priority of the rights herein over matters appearing of record, or occurring, at any time after the recording of this Deed Rider, all such matters so appearing or occurring being subject and subordinate in all events to the rights herein.

(d) Water and sewer charges and taxes for the then current tax period shall be apportioned and fuel value shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the selected purchaser.

(e) Full possession of the Property free from all occupants is to be delivered at the time of the Closing, the Property to be then in the same condition as it is in on the date of the execution of the purchase and sale agreement, reasonable wear and tear only excepted.

(f) If Owner shall be unable to give title or to make conveyance as above required, or if any change of condition in the Property not included in the above exception shall occur, then Owner shall be given a reasonable time not to exceed thirty (30) days after the date on which the Closing was to have occurred in which to remove any defect in title or to restore the Property to the condition herein required. The Owner shall use best efforts to remove any such defects in the title, whether voluntary or involuntary, and to restore the Property to the extent permitted by insurance proceeds or condemnation award. The Closing shall occur fifteen (15) days after notice by Owner that such defect has been cured or that the Property has been so restored. The selected purchaser shall have the election, at either the original or any extended time for performance, to accept such title as the Owner can deliver to the Property in its then condition and to pay therefor the purchase price without deduction, in which case the Owner shall convey such title, except that in the event of such conveyance in accordance with the provisions of this clause, if the Property shall have been damaged by fire or casualty insured against or if a portion of the Property shall have been taken by a public authority, then the Owner shall, unless the Owner has previously restored the Property to its former condition, either:

(A) pay over or assign to the selected purchaser, on delivery of the deed, all amounts recovered or recoverable on account of such insurance or condemnation award less any amounts reasonably expended by the Owner for any partial restoration, or

(B) if a holder of a mortgage on the Property shall not permit the insurance proceeds or the condemnation award or part thereof to be used to restore the Property to its former condition or to be so paid over or assigned, give to the selected purchaser a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonably expended by the Owner for any partial restoration.

6. Resale and Transfer Restrictions. (a) Except as otherwise provided herein, the Property or any interest therein shall not at any time be sold by the Owner, or the Owner's successors and assigns, and no attempted sale shall be valid, unless the aggregate value of all consideration and payments of every kind given or paid by the selected purchaser of the Property for and in connection with the transfer of such Property, is equal to or less than the Maximum Resale Price for the Property, and unless a certificate (the "Compliance Certificate") is obtained and recorded, signed and acknowledged by the Monitoring Agent which Compliance Certificate refers to the Property, the Owner, the selected purchaser thereof, and the Maximum Resale Price therefor, and states that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and unless there is also recorded a new Deed Rider executed by the selected purchaser, which new Deed Rider is identical in form and substance to this Deed Rider.

(b) The Owner, any good faith purchaser of the Property, any lender or other party taking a security interest in such Property and any other third party may rely upon a Compliance Certificate as conclusive evidence that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and may record such Compliance Certificate in connection with the conveyance of the Property.

(c) Within ten (10) days of the closing of the conveyance of the Property from the Owner to the selected purchaser, the Owner shall deliver to the Monitoring Agent a copy of the Deed of the Property, including the deed rider, together with recording information. Failure of the Owner, or Owner's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance or the enforceability of the restrictions herein.

7. Survival of Restrictions Upon Exercise of Remedies by Mortgagees. (a) The holder of record of any mortgage on the Property (each, a "Mortgagee") shall notify the Monitoring Agent, the Municipality and any senior Mortgagee(s) in the event of any default for which the Mortgagee intends to commence foreclosure proceedings or similar remedial action pursuant to its mortgage (the "Foreclosure Notice"), which notice shall be sent to the Monitoring Agent and the Municipality as set forth in this Deed Rider, and to the senior Mortgagee(s) as set forth in such senior Mortgagee's mortgage, not less than one hundred twenty (120) days prior to the foreclosure sale or the acceptance of a deed in lieu of foreclosure. The Owner expressly agrees to the delivery of the Foreclosure Notice and any other communications and disclosures made by the Mortgagee pursuant to this Deed Rider.

(b) The Owner grants to the Municipality or its designee the right and option to purchase the Property upon receipt by the Municipality of the Foreclosure Notice. In the event that the Municipality intends to exercise its option, the Municipality or its designee shall purchase the Property within one hundred twenty (120) days of receipt of such notice, at a price equal to the greater of (i) the sum of the outstanding principal balance of the note secured by such foreclosing Mortgagee's mortgage, together with the outstanding principal balance(s) of any note(s) secured by mortgage(s) senior in priority to such mortgage (but in no event shall the aggregate amount thereof be greater than one hundred percent (100%) of the Maximum Resale Price calculated at the time of the granting of the mortgage) plus all future advances, accrued interest and all reasonable costs and expenses which the foreclosing Mortgagee and any senior Mortgagee(s) are entitled to recover pursuant to the terms of such mortgages (the "Mortgage Satisfaction Amount"), and (ii) the Maximum Resale Price (which for this purpose may be less than the purchase price paid for the Property by the Owner)(the greater of (i) and (ii) above herein referred to as the "Applicable Foreclosure Price"). The Property shall be sold and conveyed in its then-current "as is, where is" condition, without representation or warranty of any kind, direct or indirect, express or implied, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, housing code violations, public assessments, any and all unpaid federal or state taxes (subject to any rights of redemption for unpaid federal taxes), municipal liens and any other encumbrances of record then in force and applicable to the Property having priority over such foreclosing Mortgagee's mortgage, and further subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the Municipality or its designee, and to record with the deed, except that (i) during the term of ownership of the Property by the Municipality or its designee the owner-occupancy requirements of Section 2 hereof shall not apply (unless the designee is an Eligible Purchaser), and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by the Municipality or its designee, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the Municipality or its designee or the enforceability of the restrictions herein.

(c) Not earlier than one hundred twenty (120) days following the delivery of the Foreclosure Notice to the Monitoring Agent, the Municipality and any senior Mortgagee(s) pursuant to subsection (a) above, the foreclosing Mortgagee may conduct the foreclosure sale or accept a deed in lieu of foreclosure. The Property shall be sold and conveyed in its then-current "as is, where is" condition, without representation or warranty of any kind, direct or indirect, express or implied, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, housing code violations, public assessments, any and all unpaid federal or state taxes (subject to any rights of redemption for unpaid federal taxes), municipal liens and any other encumbrances of record then in force and applicable to the Property having priority over the foreclosing Mortgagee's mortgage, and further subject to a Deed Rider, as set forth below.

(d) In the event that the foreclosing Mortgagee conducts a foreclosure sale or other proceeding enforcing its rights under its mortgage and the Property is sold for a price in excess of the greater of the Maximum Resale Price and the Mortgage Satisfaction Amount, such excess shall be paid to the Municipality for its Affordable Housing Fund after (i) a final judicial determination, or (ii) a written agreement of all parties who, as of such date hold (or have been duly authorized to act for other parties who hold) a record interest in the Property, that the Municipality is entitled to such excess. The legal costs of obtaining any such judicial determination or agreement shall be deducted from the excess prior to payment to the Municipality. To the extent that the Owner possesses any interest in any amount which would otherwise be payable to the Municipality under this paragraph, to the fullest extent permissible by law, the Owner hereby assigns its interest in such amount to the Mortgagee for payment to the Municipality.

(e) If any Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, then the rights and restrictions contained herein shall apply to such Mortgagee upon such acquisition of the Property and to any purchaser of the Property from such Mortgagee, and the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider, which the Mortgagee that has so acquired the Property agrees to annex to the deed and to record with the deed, except that (i) during the term of ownership of the Property by such Mortgagee the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by such Mortgagee at the foreclosure sale, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to the Mortgagee or the enforceability of the restrictions herein.

(f) If any party other than a Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider, which the foreclosing Mortgagee agrees to annex to the deed and to record with the deed, except that (i) if the purchaser at such foreclosure sale or assignee of a deed in lieu of foreclosure is an Ineligible Purchaser, then during the term of ownership of the Property by such Ineligible Purchaser, the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by such third party purchaser at the foreclosure sale, but not greater than the Applicable Foreclosure Price. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to such third party purchaser or the enforceability of the restrictions herein.

(g) Upon satisfaction of the requirements contained in this Section 7, the Monitoring Agent shall issue a Compliance Certificate to the foreclosing Mortgagee which, upon recording in the Registry, may be relied upon as provided in Section 6(b) hereof as conclusive evidence

that the conveyance of the Property pursuant to this Section 7 is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider.

(h) The Owner understands and agrees that nothing in this Deed Rider or the Regulatory Agreement (i) in any way constitutes a promise or guarantee by MassHousing, DHCD, the Municipality or the Monitoring Agent that the Mortgagee shall actually receive the Mortgage Satisfaction Amount, the Maximum Resale Price for the Property or any other price for the Property, or (ii) impairs the rights and remedies of the Mortgagee in the event of a deficiency.

(i) If a Foreclosure Notice is delivered after the delivery of a Conveyance Notice as provided in Section 4(a) hereof, the procedures set forth in this Section 7 shall supersede the provisions of Section 4 hereof.

8. Covenants to Run With the Property. (a) This Deed Rider, including all restrictions, rights and covenants contained herein, is an affordable housing restriction as that term is defined in Section 31 of Chapter 184 of the Massachusetts General Laws, having the benefit of Section 32 of such Chapter 184, and is enforceable as such. This Deed Rider has been approved by the Director of DHCD.

(b) In confirmation thereof the Grantor and the Owner intend, declare and covenant (i) that this Deed Rider, including all restrictions, rights and covenants contained herein, shall be and are covenants running with the land, encumbering the Property for the Term, and are binding upon the Owner and the Owner's successors in title and assigns, (ii) are not merely personal covenants of the Owner, and (iii) shall enure to the benefit of and be enforceable by the Municipality, the Monitoring Agent and DHCD and their successors and assigns, for the Term. Owner hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts have been satisfied in order for the provisions of this Deed Rider to constitute restrictions and covenants running with the land and that any requirements of privity of estate have been satisfied in full.

9. Notice. Any notices, demands or requests that may be given under this Deed Rider shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the following entities and parties in interest at the addresses set forth below, or such other addresses as may be specified by any party (or its successor) by such notice.

Municipality:

Grantor:

Owner:

Monitoring Agent[s]

- (1) Director, Local Initiative Program
DHCD
100 Cambridge Street
Suite 300
Boston, MA 02114

(2)

Others:

Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

10. Further Assurances. The Owner agrees from time to time, as may be reasonably required by the Monitoring Agent, to furnish the Monitoring Agent upon its request with a written statement, signed and, if requested, acknowledged, setting forth the condition and occupancy of the Property, information concerning the resale of the Property and other material information pertaining to the Property and the Owner's conformance with the requirements of the Comprehensive Permit, Program and Program Guidelines, as applicable.

11. Enforcement. (a) The rights hereby granted shall include the right of the Municipality and the Monitoring Agent to enforce this Deed Rider independently by appropriate legal proceedings and to obtain injunctive and other appropriate relief on account of any violations including without limitation relief requiring restoration of the Property to the condition, affordability or occupancy which existed prior to the violation impacting such condition, affordability or occupancy (it being agreed that there shall be no adequate remedy at law for such violation), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Municipality and the Monitoring Agent.

(b) Without limitation of any other rights or remedies of the Municipality and the Monitoring Agent, or their successors and assigns, in the event of any sale, conveyance or other transfer or occupancy of the Property in violation of the provisions of this Deed Rider, the Municipality and Monitoring Agent shall be entitled to the following remedies, which shall be cumulative and not mutually exclusive:

- (i) specific performance of the provisions of this Deed Rider;
- (ii) money damages for charges in excess of the Maximum Resale Price, if applicable;
- (iii) if the violation is a sale of the Property to an Ineligible Purchaser except as permitted herein, the Monitoring Agent and the Municipality shall have the option to locate an Eligible Purchaser to purchase or itself purchase the Property from the Ineligible Purchaser on the terms and conditions provided herein; the purchase price shall be a price which complies with the provisions of this Deed Rider; specific performance of the requirement that an Ineligible Purchaser shall sell, as herein provided, may be judicially ordered.
- (iv) the right to void any contract for sale or any sale, conveyance or other transfer of the Property in violation of the provisions of this Deed Rider in the absence of a Compliance Certificate, by an action in equity to enforce this Deed Rider; and
- (v) money damages for the cost of creating or obtaining a comparable dwelling unit for an Eligible Purchaser.

(c) In addition to the foregoing, the Owner hereby agrees and shall be obligated to pay all fees and expenses (including legal fees) of the Monitoring Agent and/or the Municipality in the event successful enforcement action is taken against the Owner or Owner's successors or assigns. The Owner hereby grants to the Monitoring Agent and the Municipality a lien on the Property, junior to the lien of any institutional holder of a first mortgage on the Property, to secure payment of such fees and expenses in any successful enforcement action. The Monitoring Agent and the Municipality shall be entitled to seek recovery of fees and expenses incurred in a successful enforcement action of this Deed Rider against the Owner and to assert such a lien on the Property to secure payment by the Owner of such fees and expenses. Notwithstanding anything herein to the contrary, in the event that the Monitoring Agent and/or Municipality fails to enforce this Deed Rider as provided in this Section, DHCD, if it is not named as Monitoring Agent, shall have the same rights and standing to enforce this Deed Rider as the Municipality and Monitoring Agent.

(d) The Owner for himself, herself or themselves and his, her or their successors and assigns, hereby grants to the Monitoring Agent and the Municipality the right to take all actions with respect to the Property which the Monitoring Agent or Municipality may determine to be necessary or appropriate pursuant to applicable law, court order, or the consent of the Owner to prevent, remedy or abate any violation of this Deed Rider.

12. Monitoring Agent Services; Fees. The Monitoring Agent shall monitor compliance of the Project and enforce the requirements of this Deed Rider. As partial compensation for providing these services, a Resale Fee [☒] shall [☐] shall not be payable to the Monitoring Agent on the sale of the Property to an Eligible Purchaser or any other purchaser in

accordance with the terms of this Deed Rider. This fee, if imposed, shall be paid by the Owner herein as a closing cost at the time of Closing, and payment of the fee to the Monitoring Agent shall be a condition to delivery and recording of its certificate, failing which the Monitoring Agent shall have a claim against the new purchaser, his, her or their successors or assigns, for which the Monitoring Agent may bring an action and may seek an attachment against the Property.

13. Actions by Municipality. Any action required or allowed to be taken by the Municipality hereunder shall be taken by the Municipality's Chief Executive Officer or designee.

14. Severability. If any provisions hereof or the application thereof to any person or circumstance are judicially determined, to any extent, to be invalid or unenforceable, the remainder hereof, or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

15. Independent Counsel. THE OWNER ACKNOWLEDGES THAT HE, SHE, OR THEY HAVE READ THIS DOCUMENT IN ITS ENTIRETY AND HAS HAD THE OPPORTUNITY TO CONSULT LEGAL AND FINANCIAL ADVISORS OF HIS, HER OR THEIR CHOOSING REGARDING THE EXECUTION, DELIVERY AND PERFORMANCE OF THE OBLIGATIONS HEREUNDER.

16. Binding Agreement. This Deed Rider shall bind and inure to the benefit of the persons, entities and parties named herein and their successors or assigns as are permitted by this Deed Rider.

17. Amendment. This Deed Rider may not be rescinded, modified or amended, in whole or in part, without the written consent of the Monitoring Agent, the Municipality and the holder of any mortgage or other security instrument encumbering all or any portion of the Property, which written consent shall be recorded with the Registry.

Executed as a sealed instrument this _____ day of _____, 200 .

Grantor:

Owner:

By _____

By _____

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of _____, 200 , before me, the undersigned notary public, personally appeared _____, the _____ of _____ in its capacity as the _____ of _____, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of _____ as _____ of _____.

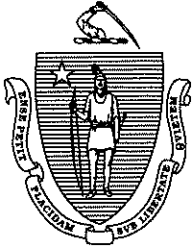
Notary Public
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of _____, 200 , before me, the undersigned notary public, personally appeared _____, the _____ of _____ in its capacity as the _____ of _____, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of _____ as _____ of _____.

Notary Public
My commission expires:



William Francis Galvin
Secretary of the
Commonwealth

The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

September 26, 2017

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

WENHAM PINES LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **July 12, 2016.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation or withdrawal; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **ROBERT F. TAMBONE**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ROBERT F. TAMBONE**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **ROBERT F. TAMBONE**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

WENHAM PINES LLC

MANAGER'S CERTIFICATE

The undersigned, ROBERT F. TAMBONE, being the sole Manager of Wenham Pines LLC, a Massachusetts limited liability company (the "Company"), hereby certifies as follows:

1. The undersigned is the duly appointed Manager of the Company.
2. The sole Member of the Company is ROBERT F. TAMBONE.
3. The Manager is duly authorized to ratify, execute, acknowledge, and deliver, on behalf of and in the name of the Company that certain *Regulatory Agreement and Declaration of Restrictive Covenants for Ownership Project* dated as of _____, 2019, between the Company, the Town of Wenham and the Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, encumbering certain premises situated at 56-60 Main Street, Wenham, Massachusetts, together with such other Deed Riders, certificates and other instruments to be executed in connection therewith.

Executed as a sealed instrument this ____ day of _____, 2019.

Robert F. Tambone, Manager

Return to:

(SPACE ABOVE THIS LINE RESERVED FOR REGISTRY OF DEEDS USE)

**WENHAM PINES CONDOMINIUM
WENHAM, MASSACHUSETTS**

MASTER DEED

DATED: _____, 2019

WENHAM PINES, LLC, a Massachusetts limited liability company (the "Declarant"), having an address of Six Kimball Lane, Suite 300, Lynnfield, MA 01940, being the owner of the land with the improvements thereon located off Main Street on Pine Hill Road, Town of Wenham, Essex County, Massachusetts, as more particularly described in Exhibit A attached hereto, does hereby, by duly executing and recording this Master Deed, submit said land, including the buildings and improvements thereon, and all easements, rights and appurtenances belonging thereto except such rights and interests reserved by and to the Declarant hereunder (collectively, the "Property"), to the provisions of Chapter 183A of the General Laws of the Commonwealth of Massachusetts (as amended, "Chapter 183A"). The Declarant proposes to create, and does hereby create with respect to the Property, a condominium governed by and subject to the provisions of Chapter 183A and, to that end, hereby declares and provides as follows:

1.0 Name of the Condominium.

The name of the condominium created hereby shall be "WENHAM PINES CONDOMINIUM" (hereinafter sometimes referred to as the "Condominium"). The street address of the Condominium and the units thereof shall be as set forth in Exhibit B attached hereto.

2.0 Condominium Trust.

The name of the Trust that has been formed and through which the owners of residential dwellings (each one a "Unit Owner," and, collectively, the "Unit Owners") will manage and regulate the Condominium is the "WENHAM PINES CONDOMINIUM TRUST",

established under Declaration of Trust of even date herewith (the "Condominium Trust"), to be recorded with the Essex South District Registry of Deeds (the "Registry of Deeds") herewith. Said Declaration of Trust establishes that all Unit Owners in the Condominium shall be beneficiaries of the Condominium Trust and that the beneficial interest of each Unit Owner in said Condominium Trust shall be the same percentage interest as the Unit's proportionate interest in the Common Areas and Facilities as defined in Section 8 below and established by this Master Deed.

Pursuant to Section 3.1 of the Condominium Trust, the Trustees (the "Trustees") shall be appointed by the Declarant and shall serve until the date (the "Transition Date") that is the earlier of (i) the date that the last Unit in the Condominium is conveyed by the Declarant to a third-party purchaser; or (ii) three (3) years from the recording of this Master Deed. The name and address of the initial Trustee of the Trust shall be _____, LLC. The Trustee has enacted Bylaws (the "Bylaws"), which are incorporated into the Condominium Trust recorded herewith, together with Rules and Regulations (the "Rules and Regulations").

3.0 Description of the Land; Encumbrances.

3.1 The Land. A description of the land of the Condominium (hereinafter, the "Land") is contained in Exhibit A attached hereto and incorporated herein. The Land is subject to and has the benefit of such rights, easements, restrictions and encumbrances as are of record and in force and as set forth more particularly in Exhibit A-1 attached hereto (the "Record Encumbrances"), the Permits and Approvals referenced in Section 3.2 below, and the other rights and easements established herein. The Land is additionally subject to such rights and easements as may hereinafter be reserved by the Declarant, which later rights and easements shall, in all instances be exercisable by the Declarant and its successors or assigns, whether so stated or not. The Land, together with the Building(s) and other improvements constituting "Phase I" of the Condominium, are shown on the Site Plan entitled "Wenham Pines Condominium, Condominium Site Plan of Land located in Wenham, MA" prepared by Hancock Associates, dated _____, 2019 (the "Site Plan").

The Land and the Condominium are to be developed in a number of phases. The Land initially included in the Condominium is described in Exhibit A. The Declarant hereby further reserves the right to add one or more parcels of additional land (the "Additional Land Parcels"), at its election to the Condominium in the future. Such Additional Land Parcels are described in Exhibit A-2 attached hereto.

3.2 Permits and Approvals. The use of the Property shall be subject to all conditions and restrictions contained within (i) the Special Permit and Site Plan Approval Decision of the Wenham Planning Board dated March 9, 2017 and recorded with the Registry of Deeds in Book 36584, Page 427 (as the same may from time to time be amended, the "Special Permit"), which, among other things, requires compliance with the Stormwater Operation and Maintenance Plan and requires the roadway, the Drainage System, and the Sewage Disposal System be maintained permanently by the Condominium Trust, and (ii) the Order of Conditions issued by the Wenham Conservation Commission as MassDEP File #326-0359, dated March 27, 2017 and recorded with the Registry of

Deeds in Book36672, Page 448 (as the same may from time to time be amended, the "Order of Conditions"); and (iii) all other permits and approvals issued by the Town of Wenham Historic Commission, Board of Health and Board of Selectmen with respect to the Land or the Condominium; (iv) the Conservation Restriction described in Section 3.3 below; (v) the Age Restriction described in Section 9.1 below; and (vi) that certain Regulatory Agreement between the Declarant, the Town of Wenham and the Commonwealth of Massachusetts Department of Housing and Community Development to be recorded with the Registry of Deeds herewith. All of the foregoing (i) – (vi) are collectively referred to herein as the "Permits and Approvals". Notwithstanding anything to the contrary contained herein or in the Condominium Trust, no amendment to this Master Deed or the Condominium Trust which purports to modify, abridge, delete or otherwise affect any condition or restriction imposed by the Town of Wenham or any other permitting authorities that are parties to the Permits and Approvals shall not be of any force or effect absent the approval of such amendment by the relevant permitting authority.

3.3 Open Space Parcels. In accordance with the terms of the Special Permit, the Town of Wenham has been granted a perpetual Conservation Restriction dated as of May 25, 2018 by the Declarant and the Trustees of The Flynn Family Enterprises Irrevocable Trust, u/d/t dated October 23, 2003, recorded with the Registry in Book36742, Page 297 (the "Conservation Restriction"), whereby all the parcels of land designated as "Open Space" on the Site Plan (excluding, however, those portions designated in the Conservation Restriction as "Reserved Areas", the "Open Space Parcels") (as the Site Plan may be amended in connection with the inclusion of the Additional Land Parcels in the Condominium), shall be and hereby are included within the Common Areas and Facilities as permanently restricted, recreational open space. The Open Space Parcels shall be maintained by the Declarant and by the Condominium Trust in the condition set forth in the Conservation Restriction, excluding only (i) temporary and incidental disturbances related to the construction of the Condominium Improvements, including the Buildings described in Section 4.0 below and the Common Areas and Facilities described in Section 6.1 below all within the Reserved Areas, and (ii) mowing, seasonal pruning and trimming and other land maintenance activities provided for in the Landscape Management Plan approved from time to time by the Town of Wenham under the Order of Conditions and the Special Permit, and in accordance with the terms of the Conservation Restriction.

3.4 Declarant's Reserved Rights. The Land is subject to the matters set forth herein and to the Reserved Rights described more particularly in Section 10 below.

4.0 Description of the Buildings.

The Buildings located on the Land comprising Phase I of the Condominium (the "Phase I Buildings") are described in Exhibit B attached hereto, including the number of stories, number of Units and principal materials of construction. The locations of the Phase I Buildings are shown on the Site Plan. The Phase I Buildings, together with any building or portion thereof later added to the Condominium, are hereinafter collectively referred to as the "Building" or "Buildings." Each Building contains two (2) Units.

5.0 Descriptions and Boundaries of the Units.

The Units, their respective boundaries and the appurtenances thereof are as hereinafter described.

5.1. Types of Units. The Condominium is proposed to include the following types of Units:

(A) Townhome Units: These Units will be located in newly constructed duplex buildings. Each Townhome Unit will include two (2) floors of living space and have a full basement and an attached two-car garage. Each Unit will also have the exclusive use of an exterior ground level patio area.

(B) Farmhouse Units: There will be two (2) Units located in the pre-existing farmhouse on the site. These Units will each contain one floor of living space, with Exclusive Use Areas in the basement for storage. Each Unit will also be conveyed with the exclusive use of one (1) parking space in an adjacent common garage structure (the "Farmhouse Garage Building"). The Farmhouse Units will be subject to a permanent affordability restriction as provided in Section 9.7 below.

5.2. Phase I Units. Phase I of the Condominium is comprised of _____ () Building(s) and _____ () Units. Each Unit includes a full basement and a two-car garage. Guest parking for each Unit is located in the driveways leading to the garage.

The locations of the Units, together with their approximate areas, initial percentage interest, number of rooms and immediately accessible common areas are set forth in Exhibit C attached hereto. The Units are depicted on the Floor Plans to be recorded with the Registry of Deeds herewith (the "Floor Plans"). Collectively, the Floor Plans and the Site Plan are referred to as the "Condominium Plans."

5.3 Boundaries of the Units. The boundaries of the Units with respect to the floors, ceilings, walls, exterior doors and windows thereof are as follows:

- (i) Floors: The plane of the upper surface of the basement slab or subflooring in the lowest floor, if the Unit consists of more than one floor.
- (ii) Roof: The plane of the lower surface of the ceiling joists or strapping, if there be any, above the upper-most floor of the Unit, or the plane of the lower surface of the joists on any porch.
- (iii) Interior Walls: The plane of the exterior surface of the wall studs facing the Unit. Each Unit excludes the firewall and/or party wall between Units.
- (iv) Exterior Doors and Windows: As to doors, the exterior surface of the doors in their entirety, including the frames, storm and screen doors but

excluding the exterior molding or trim, if any. As to windows, the exterior surfaces of all windows in their entirety, including the frames, mullions, muntins, sash, stiles, lights, hardware, flashing, exterior molding or trim, if any.

5.4 Appurtenances to Units; Limited Common Areas. Each Unit shall have as appurtenant thereto the right for residents of the Unit and their guests to use (i) the Common Areas and Facilities, as described in Section 6 hereof, in common with the other Units in the Condominium, and (ii) the following "Exclusive Use Areas" which are reserved as exclusive easements for the use of the Units to which they appertain (such areas are referred to collectively herein as "Limited Common Area"):

- (A) the driveway leading to the garage portion of the Unit or, in the case of the Farmhouse Units, to the space in the Farmhouse Garage assigned to such Unit;
- (B) any exterior porch, patio, deck or balcony affixed to or leading from the Unit, and any attic (finished or unfinished) which is directly accessible from the Unit;
- (C) any doorbell or exterior lights serving the Unit;
- (D) any garage space in the Farmhouse Garage or exterior parking space assigned by the Declarant to a particular Unit Owner in the Farmhouse Building;
- (E) any basement storage space assigned by the Declarant to a particular Unit in the Farmhouse Building;
- (F) air conditioning condensers and pads serving only one Unit, as well as pipes, wires, chimneys and flues, sprinkler or other fire-suppression or fire detection systems (if any) and or other conduits for utilities, whether located within or without the boundary of a Unit, and serving only that Unit, are a part of that Unit; and
- (G) the outdoor areas immediately adjacent to each Unit and depicted as "Exclusive Use Yard" on the Condominium Site Plan.
 - (i) Upon the request of a Unit Owner, the Trustees shall have the power, and each Unit Owner by acceptance of its unit deed agrees and consents to the Trustees having the power, to allow or disallow the Unit Owner to make certain modifications to the rear portion of each Exclusive Use Yard including, but not limited to the planting and maintenance of garden areas, shrubs, trees or plantings and/or the installation of invisible fencing for pets. Such approval shall be in writing and may be granted or withheld in the sole discretion of the Trustees.
 - (ii) If approval is granted for such improvements to the Exclusive Use Yard, such approval shall be on such conditions as the Trustees determine and all work shall be done in a good and workmanlike manner using first class

materials, free from defects. The Board shall have the right in its sole discretion to deny approval to any Unit Owner for any reason, including but not limited to aesthetic reasons, the potential for blocking the view of a neighboring Unit Owner, or for any other reason which the Board may determine. Once approval has been granted, the Unit Owner shall be responsible for all maintenance, repair and replacement of all items and improvements contained within the Exclusive Use Yard. The Unit Owner shall also be responsible for insuring for liability purposes and for property damage purposes all modifications made to the Exclusive Use Yard.

The Limited Common Areas shall be subject to the restrictions set forth in Section 9 hereof and to the reserved rights and easements set forth in Sections 10 and 11 hereof.

6.0 Description of the Common Areas and Facilities.

The "Common Areas and Facilities" of the Condominium shall mean and consist of the entire Property, including the Land and all parts of the Buildings and improvements thereon other than the Units and, include without limitation, the following:

- (A) The Land described in Exhibit A, including all improvements located thereon (as well as any land described in Exhibit A-2 but only at such subsequent time as the Declarant elects to add such land to the Condominium), together with the benefit of, and subject to, all rights, easements, reservations, conditions and restrictions of record as the same may be in force and applicable. Until such time that all of the Additional Land Parcels are added to the Condominium, the Land expressly includes, the right and easement to use those portions of the private way known as Pine Hill Road whether or not the same is located on the Land.
- (B) The foundations, structural columns, girders, beams, supports, interior structural or bearing walls, all portions of the exterior walls, floors and roofs not included as part of the Units, and the common walls within each Building.
- (C) All conduits, chutes, ducts, shafts, plumbing, wiring, flues and other facilities for the furnishing of utility services and waste removal which are contained in portions of the Buildings contributing to the structure or support thereof or for common usage, and all such facilities contained within any Unit, which serve parts of the Building(s) other than the Unit within which such facilities are contained.
- (D) All installations for central and/or common services such as power, light, oil, gas, hot and cold water, heating, fire alarms, street lights, mail stations, signage, air conditioning, and irrigation, including all equipment attendant thereto (but not including equipment contained within and/or serving a single Unit).
- (E) Exterior lighting devices and all wires and poles relating to same.
- (F) Exterior parking spaces, if any, not located in garages or in driveways serving garages. The Declarant reserves the right (but not the obligation) to create and designate exterior parking spaces from time to time for use by sales personnel and visitors. Exterior

parking spaces not so designated by the Declarant as set forth in the preceding sentence shall be available for occasional use by all Unit Owners, their tenants and their guests, subject to and in accordance with the Condominium Trust and any Rules and Regulations promulgated thereunder.

(G) The roadways, driveways, parking areas, yards, lawns, gardens and walkways comprising the Condominium Land, subject to all exclusive use rights granted herein, together with any improvements thereon including, without limitation, all fences, walls, benches, and mailboxes serving the same, if any.

(H) The Open Space Parcels; the Open Space Parcels include certain walkways and paths reserved for the common recreational use of the Unit Owners, subject to the use restrictions contained in the Conservation Restriction.

(I) The storm water drainage system serving the Condominium (the "Drainage System"). "Drainage System" shall mean and include the detention basins, catch basins, storm water drainage structures, pipes and appurtenances required for storm water management for the Condominium. The Trustees shall have the right at any time and from time to time, to change the location of any portion of the Drainage System (provided such relocation is within the Reserved Areas), and shall have an easement to go in, upon, over and under all parts of the Reserved Areas of the Condominium (including but not limited to the Units and any areas designated for the exclusive use of Owners of certain Units) in order to fulfill their responsibilities with respect to the operation, use, maintenance, repair and replacement of the Drainage System in accordance with the provisions of the Condominium Trust and the Special Permit and Order of Conditions.

(J) The on-site subsurface sewage disposal system as defined by 310 CMR 15.000 (the "Sewage Disposal System"), including without limitation the leaching areas to be constructed on the Reserved Areas, together with all pipes, conduits, controls, ducts, plumbing, cables, tanks, pump stations, equipment and other facilities for the furnishing of on-site subsurface sewage disposal service. The Sewage Disposal System shall serve the Condominium, including all Land, Buildings and Units and improvements added to the Condominium from time to time as future phases or otherwise. The Condominium Trust shall have the right at any time and from time to time, to change the location of any portion of the Sewage Disposal System (provided such relocation is within the Reserved Areas), and shall have an easement to go in, upon, over and under all parts of the Reserved Areas of the Condominium (including but not limited to the Units and any Exclusive Use Areas) in order to fulfill their responsibilities with respect to the operation, use, maintenance, repair and replacement of the Sewage Disposal System in accordance with the provisions of the Condominium Trust and the Permits and Approvals.

(K) The Limited Common Areas located outside the Units' boundaries, subject to the Unit Owners' exclusive rights to the use thereof and obligations thereon as provided herein and in the Condominium Trust;

(L) All other portions of the Property or the Buildings that do not constitute Units.

(M) Any other items delineated as such in Chapter 183A and located on the Property.

7.0 Maintenance Obligations; Modifications to Units.

7.1 Condominium Trust Obligations. Except as otherwise specifically set forth in this Master Deed or the Condominium Trust, the Trustees shall be responsible for maintaining, operating, repairing and replacing the Common Areas and Facilities so as to keep the same in good, safe, and operable condition and shall assess all costs and expenses thereof among Unit Owners in accordance with each Unit Owner's Undivided Interest in the Common Areas and Facilities. Without limiting the generality of the foregoing, the Trustees shall be charged with the performance of the following specific maintenance responsibilities, all in accordance with the Condominium Trust and the Permits and Approvals:

(A) The private way known as Pine Hill Road shall be maintained as a private way and the Trustees shall be responsible for the payment and performance of all maintenance, repairs, replacement, snow removal, street-sweeping and signage associated with the maintenance of Pine Hill Road, and the costs and reserves therefore shall be maintained as part of the Condominium budget.

(B) The Trustees shall operate, inspect and regularly maintain the Drainage System and the Sewage Disposal System in accordance with the operation and maintenance plans on file with the Town of Wenham Planning Board, Conservation Commission, and Board of Health, all of which are attached to, and incorporated in, the Rules and Regulations for the Condominium. A schedule of the Trustees' required inspection and maintenance obligations with respect to the foregoing matters is attached as an exhibit to the Condominium Trust.

(C) The Trustees shall be responsible for the maintenance and preservation of the Open Space Parcels in accordance with the restrictions imposed by this Master Deed and by the Conservation Restriction, and in accordance with the limitations in Order of Conditions. Such responsibilities shall include, without limitation, all responsibilities for the payment of any costs and expenses associated with inspections and other compliance activities required by the Town of Wenham Conservation Commission in connection with the foregoing items.

(D) The Trustees shall be responsible for installing and maintaining in a healthy condition all landscaping within the areas of the Condominium referred to as the Common Areas and Facilities and in compliance with the Permits and Approvals.

7.2 Unit Owner Obligations.

(A) Driveway Areas; Parking. Each Building is served by a separate paved driveway which serves both of the Units in the Building. The driveway and any parking areas thereon may be occupied by validly registered, private, noncommercial passenger vehicles only, and may not be used for vehicle storage. The term "private noncommercial vehicles" as used in the immediately preceding sentence shall include automobiles and, to the extent customarily used primarily for the transportation of passengers rather than cargo, small pickup type trucks. The fact that a vehicle bears

"Commercial" license plates shall, in and of itself, not render such vehicle a commercial vehicle. The driveways shall not be used for any activities which interfere with the ability of the Unit Owner(s) in the Building to safely use the driveways for pedestrian and vehicular access to and from their respective garages, and for parking and turning purposes related thereto.

(B) Garages. Each Unit owner shall be affirmatively responsible for the interior maintenance and repair of the garage located within their respective Unit or, in the case of the Farmhouse Units, appurtenant to their Unit. Garage areas may only be utilized for motor vehicle and related storage, and all garage doors shall generally be kept closed when not in use.

(C) Patios, Front Entry Stoops, Balconies, Decks, Porches. If a patio, front entry stoop, balcony, deck and/or porch, or bulkhead is attached to a Unit, the Unit shall carry with it the exclusive right and easement to use the same by the owner of the Unit to which the same are attached, in accordance with Section 5.4 above. Each Unit Owner shall be affirmatively responsible for cleaning and maintaining any such item that is attached to their Unit. All other maintenance, repair and replacement of these items shall be performed by the Trustees upon the initiative of the Condominium Trust, but at the expense of the owner of the Unit served by such an item which is the subject of any such maintenance, repair or replacement.

(D) Exterior Doors and Windows. Exterior doors and windows shall be the property of the owner of the Unit to which they are attached or attachable and shall be furnished, installed, maintained, repaired and replaced at the sole expense of such Unit Owner, provided, however, that there shall not be any change, replacement or repair of any exterior facing doors or windows without the approval of the Trustees, and provided further that the cleaning and repair of the exterior windows and doors (including garage doors) shall be the responsibility of the Trustees. Notwithstanding the foregoing, in the event of a casualty loss or an upgrade to all of the Units, exterior windows and doors (including garage doors) replacement shall be the responsibility of the Condominium, and covered by the Condominium insurance.

7.3 Modification of Units.

(A) The owner of any Unit may, at his sole cost and expense, at any time, make any non-structural changes or modifications of the interior of such Unit that are not visible from the exterior, subject to the provisions of this Section 7.3 and Section 9.4 below.

(B) No structural change shall be made to any Unit without the prior written approval of the Trustees and shall be subject to the limitations set forth herein and to the boundary limitations set forth above. Any and all work with respect to such modifications shall be done in a good and workmanlike manner pursuant to a building permit duly issued by the Town of Wenham, if required, and pursuant to plans and specifications which have been submitted to and approved by the Trustees. Such approval shall be in accordance with the terms and provisions of the Condominium Trust and Bylaws, including the Rules and Regulations promulgated thereunder, and shall be aesthetically consistent with the

character of the Condominium. Such approval shall not be unreasonably withheld or delayed. Such modifications to the Unit are limited to those which would be appurtenant to a single family use as provided in the Town of Wenham Zoning Bylaws and the Permits and Approvals. In connection with any request for approval of proposed modifications, the Trustees may engage, as they deem necessary, an architect and/or engineer to review the plans proposed by the Unit Owner and such architect's or engineer's fees shall be paid by the requesting Unit Owner. If the Trustees determine that the plans are consistent with the structural integrity and/or design character of the Condominium, the Trustees may approve the plans with such reasonable conditions as they deem necessary.

(C) Any exterior door, exterior door frame, window and window frame being replaced by the Unit Owner shall be of the same design and at least as good quality as the original item. The exterior door, exterior door frame and window frame shall be maintained in good and whole condition by the Unit Owner and shall be painted the same color as the original item. This requirement may only be varied by a vote of the Trustees.

(D) Unit owners may not modify their units in a manner that would increase the number of bedrooms within the unit, as that term is defined at 310 CMR 15.002.

(E) All contractors performing work in the Units shall be properly licensed and insured and, upon request of the Trustees, shall furnish evidence of the same. In the case of improvements to any Unit costing in excess of \$10,000, the Condominium Trust shall be named as an additional insured under such contractor's general liability policy and the Trustees shall be provided with a certificate of insurance evidencing the same prior to the commencement of work.

8.0 Undivided Interest in Common Areas and Facilities.

Each Unit Owner shall have a percentage ownership interest in the Common Areas and Facilities in the percentages as specified in Exhibit C (each an "Undivided Interest"). The Undivided Interest of each Unit in the Common Areas and Facilities has been determined upon the basis of the approximate relation that the fair value of each Unit measured as of the date of this Master Deed bears to the aggregate fair value of all Units, also measured as of the date of this Master Deed.

9.0 Use Restrictions.

The Common Areas and Facilities and all Units shall be subject to, and comply with the terms, conditions, restrictions, provisions and limitations imposed by this Master Deed, the Condominium Trust, and the Record Encumbrances. Subject to the foregoing, unless otherwise permitted by written instrument duly executed by the Trustees, the use of the Units and the Common Areas and Facilities shall, in addition to those restrictions and requirements contained in the Condominium Trust, be restricted as follows, to the extent permitted by law:

9.1 Age Restriction.

(A) As set forth more particularly in the Age Restriction, each Unit shall be owned and occupied by at least one person who is age fifty-five (55) or older (referred to as a "Qualified Occupant"). No Unit shall be occupied by any persons under the age of eighteen (18), except that (i) persons under the age of eighteen (18) shall be permitted as visitors to a Unit on a temporary basis not to exceed three (3) months in any nine (9) month period, and (ii) persons under the age of eighteen (18) shall be permitted to reside in the Affordable Units (defined in Section 9.7 below) as a member of the Qualified Occupant's household. Temporary Absence from a Unit by the person over the age of fifty-five (55) due to vacation, travel, or illness shall not violate this restriction. As used herein, "Temporary Absence" means being away from the Unit for not longer than sixty (60) days at a time or ninety (90) days in the aggregate in any calendar year. In the event of the death of the Qualified Occupant of a Unit, or the foreclosure or involuntary transfer of a Unit, a one year exemption shall be allowed for the transfer of the Unit to another transferee or purchaser who has attained the age of fifty-five (55), provided, however, that in the event of the death of a spouse, the exemption shall be two (2) years. There is no right of first refusal or other restriction upon the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit, except that at least one transferee or purchaser must have attained the age of fifty-five (55). For the purposes of this paragraph, "owned" shall mean legal and equitable title. Notwithstanding anything contained herein to the contrary, this restriction is perpetual and may not be waived by the Trustees. Nothing in this Age Restriction shall be deemed to require that a Unit be continuously occupied year-round or for any minimum portion of a calendar year. However, during such times as a Unit is occupied, the owner or occupant over the age of fifty-five (55) shall not be absent from the unit for longer than the above described periods of "Temporary Absence".

(B) The Declarant intends that the Condominium be occupied by persons fifty-five (55) years of age or older, and that except for the one-year or two-year exemption in the limited circumstances set forth in paragraph (A) above, in no event shall less than one hundred percent (100%) of the occupied Units be occupied by at least one person who is fifty-five (55) years of age or older. The Trustees shall publish and adhere to policies and procedures that demonstrate the intent to adhere to the provisions set out in 42 USC Section 3607(b) (2) (c), as amended and the rules issued by the United States Secretary of Housing and Urban Development or its successor. To the extent that any provisions contained herein are inconsistent with any statute or regulation, state and federal law shall apply.

(C) The Trustees shall between July 1st and September 1st of each year conduct a survey of all Units to determine whether a Qualified Occupant resides in each Unit. The Trustees shall, by September 15th of each year send a copy of this report to the Planning Department for the Town of Wenham.

(D) It shall be a condition precedent to any conveyance, rental or lease of a Unit that the seller or Owner thereof shall verify the ages of the prospective purchaser, or tenant by requiring such prospective purchaser or tenant to produce an affidavit, executed before a notary public under pains and penalties of perjury that such purchaser, tenant or lessee has attained the age of fifty-five (55), and a birth certificate, passport, driver's license, or other documentation that will offer reliable evidence of such persons' age (collectively,

the "Age Documentation"). The Age Documentation shall be submitted by the seller or Unit Owner to the Trustees not less than fifteen (15) days prior to the proposed conveyance, lease or rental. It shall be the duty of the Trustees to review the Age Documentation. If the Trustees in good faith doubt the veracity of the Age Documentation, the Trustees shall have the right to require the owner of the Unit in question to obtain additional documentation from such Unit Owner's prospective purchaser or tenant, at the expense of such Unit Owner. If the Age Documentation appears to be in order and to establish that at least one of the prospective purchasers or tenants has attained the age of fifty-five (55) years, the Trustees shall be entitled to rely thereon and shall not be obligated to conduct an investigation to verify that such purchaser or tenant has attained the age of fifty-five (55) years, nor to require additional documentation.

(E) The age restriction of the Condominium is for the benefit of the Condominium as a whole, the individual Unit owners and the Town of Wenham, and may be enforced by the Trustees, by separate Unit owners if the Trustees fail to take appropriate action within sixty (60) days after being requested to do so in writing by a Unit owner (provided such action is warranted) or by the Town of Wenham. The Trustees or Unit owner(s) seeking to enforce this restriction and/or the Town may obtain temporary restraining orders, injunctions and other equitable and legal relief. The Owner of any Unit that is in violation of this age restriction shall reimburse the Trustees and/or Unit owner(s) or Town for the costs of enforcing this age restriction, including but not limited to attorneys' reasonable fees, court costs, expert witness fees and depositions. No Unit Owner shall be liable for any breach of the provisions of the above paragraphs, except as occur during his or her ownership.

(F) In the event of a conflict between the Age Restriction and the restrictions set forth herein, the Age Restriction shall control. The Age Restriction shall run with and bind each Unit in perpetuity and shall not be affected by the foreclosure or deed given in lieu of foreclosure for any Unit.

(G) In no event shall the terms of this Section be amended without the prior written consent of the Town of Wenham and in no event shall the Age Restriction and the terms of this Section be terminated without the approval of Wenham Town Meeting.

9.2 Residential Use. No Unit shall be used for any purpose other than residential housing for one family or no more than (3) unrelated individuals. Notwithstanding the foregoing, the Trustees may, in their absolute discretion, grant written permission for a lawyer, physician, architect, engineer, accountant, real estate broker, business consultant, insurance agent or like professional person residing in a Unit to maintain therein a home office for professional use, provided that no employees, patients, customers, clients or persons other than said resident of the Unit shall visit the Unit or engage in any such activity therein, and no such home-office shall be advertised, held out or used as a place of service to such customers, clients, patients or other persons.

9.3 Tenants; Leasing. The Trustees desire to maintain the Condominium as an age-restricted, owner-occupied residential community. No Unit may be leased, rented or let

unless upon a written agreement therefore in a form and content acceptable to the Trustees and for a term of no less than twelve (12) months; and provided further that: (a) a copy of said agreement is provided to the Trustees or its managing agent prior to the occupancy thereunder; (b) said agreement contains a clause whereby the occupants agree to be bound by this Master Deed, the Condominium Trust, the Bylaws, and the Rules and Regulations promulgated pursuant thereto copies of which the Trustees shall provide to the occupants upon such reasonable fee as the Trustees determine; (c) it shall be deemed during the period of occupancy that the Unit Owner has appointed and constituted the Trustees as the Unit Owner's attorney-in-fact so that in the event of a failure by the tenant or occupant to comply with all respects of this Master Deed, the Condominium Trust, the Bylaws, and the Rules and Regulations promulgated pursuant thereto, then the Trustees shall have the right to seek, at the Unit Owner's expense, the eviction, equitable relief and/or damages of and/or from such occupants upon any such breach or violation, provided that the Trustees first give the Unit Owner notice of said breach or violation and reasonable period to affect a cure; (d) the letting is for the entire Unit; (e) no subletting is permitted; (f) in no event shall it be deemed that a landlord/tenant relationship exists between the Trustees and the occupant, and (g) there shall be strict compliance with the Age Restriction. In addition to the foregoing, the Trustees reserve the right to restrict the number of rentals at any one time to no more than two (2) of the Units, or such lower number as may be required by any so-called secondary mortgage market source. Landlords shall be required to provide the Trustees with a copy of the lease for a Unit, a certificate signed under the pains and penalties of perjury by the Unit owner and the tenant confirming compliance with the Age Restriction, and to otherwise abide by the Rules and Regulations regarding leases, as the same are amended from time to time by the Trustees.

If during the course of occupancy, a tenant demonstrates a disregard for the provisions of this Master Deed, the Condominium Trust and/or the Rules and Regulations, the Trustees shall so notify the Unit Owner who shall thereafter be precluded from extending the tenancy of such occupant beyond the original lease term.

- 9.4 Preservation of Architectural Integrity. The architectural integrity of the Buildings and the Units shall be preserved and to that end: no balcony, porch, garden or yard enclosure, awning, screen, antenna, sign, banner or other device, and no exterior change, addition, structure, projection, decoration, spot lights or other feature shall be erected, applied to, or placed upon or attached to or hung from any Unit or any part thereof, on the Buildings or upon any other Common Areas and Facilities; no addition to or change or replacement, other than routine maintenance, of any exterior light, door knocker or other exterior hardware shall be made; and no sign, painting, attaching of decalcomania or other decoration shall be done on any exterior part or surface of any Unit nor on the interior surface of any window, including the display of "For Sale", "For Rent" or other signage, without, in each instance, the express consent thereto in writing by the Trustees. Such restrictions shall not, however, be construed to restrict a Unit Owner's right to decorate their Unit as they so determine; provided, however, that to the extent such decoration when viewed from the exterior of any Unit, if such shall be so viewable, detracts, in the reasonable judgment of the Trustees, from the aesthetic or architectural integrity of the Buildings, the Unit Owner may be required to undertake

such reasonable measures as the Trustees may determine to ameliorate such detraction. Such restrictions shall not be construed to restrict a Unit Owner's right to move, remove, alter or change any interior, non-structural, wall or partition, nor change the use and/or designation of any room within his/her/their Unit; provided, however, that such shall not adversely affect the structural integrity of any Building nor overload any Building's systems and provided further, that (a) reasonable advance notice thereof is given to the Trustees; (b) all reasonable and necessary documents in amendment of the Master Deed and all plans to be filed therewith are provided in advance to the satisfaction of the Trustees, such amendment requiring no consents other than the Trustees' consent; (c) all necessary and proper permits and/or approvals are obtained from appropriate governmental authorities; (d) any contractor(s) performing such work shall be adequately licensed and insured and shall provide evidence to the Trustees of same prior to the commencement of any work, and (e) all other conditions as may be reasonably imposed by the Trustees are satisfied, including without limitation any conditions imposed under Section 7.3 above.

- 9.5 Pets. No pets other than common domestic animals shall be kept in any Unit. Common domestic animals shall include, but are not necessarily limited to, dogs, cats, birds, tropical fish, goldfish and hamsters (if properly caged). It shall be permissible for Unit Owners (but not tenants) to keep up to two (2) cats and two (2) dogs without the prior written consent of the Trustees. Additional pets may be kept in the Units following consent by the Trustees and provided that such pets do not create a nuisance or unreasonable disturbance or noise to any other Unit Owner or occupant of the Condominium. No reptiles or "exotic" animals shall be kept in any Unit. All Trustee approval pursuant to this section shall be subject to (a) the Rules and Regulations adopted by the Trustees; (b) rules and regulations of the applicable municipality; and (c) the right of the Trustees to remove from the Unit or the Common Areas and Facilities upon three (3) days' written notice of any pet causing or creating a nuisance or unreasonable disturbance or noise. Upon petition by any Unit Owner, the Trustees shall have the right to approve or disapprove the keeping of any pet other than those species types listed herein. Only Unit Owners may petition the Trustees for variance of these restrictions.
- 9.6 Compliance with Permits and Approvals. The use of the Property shall be subject to all conditions and restrictions contained within the Permit and Approvals described in Section 3.3 above. The Declarant until the Transition Date, and thereafter the Trustees, shall pay for, and perform, all obligations required under the Special Permit and Order of Conditions, including without limitation the annual maintenance and inspection of the Drainage System and the maintenance of the Common Drive.
- 9.7 Inclusionary Housing. Pursuant to the provisions of the Special Permit and Town of Wenham Zoning Bylaw, the two (2) Units in the Farmhouse Building shall qualify as affordable pursuant to the Regulatory Agreement (the "Regulatory Agreement") between the Declarant and the Town of Wenham recorded to herewith. Such Units are referred to herein as the "Affordable Units." Pursuant to the Regulatory Agreement, an Affordable Deed Rider must be affixed to each deed of an Affordable Unit.

9.8 Other Use Restrictions.

(A) No Unit shall be used or maintained in a manner contrary to or inconsistent with the Bylaws, the applicable Rules and Regulations promulgated pursuant thereto, or Chapter 183A, and all use shall be conducted in a manner consistent with the comfort and convenience of the occupants of the other Units.

(B) No Unit shall be maintained at an ambient temperature of less than fifty-five (55°) degrees Fahrenheit during such time or times as is necessary to prevent the freezing of any and all pipes within the Building(s).

(C) The owners of any Unit may at any time and from time to time modify, remove and install walls lying wholly within each Unit, provided, however, that any and all work with respect to the modifications, removal and installation of interior walls shall be approved by the Trustees and only if all necessary and proper permits and/or approvals are obtained from appropriate governmental authorities for such work.

(D) No Unit, or other area to which a Unit Owner has exclusive rights, shall be maintained or used in such a manner as to detract from the value of the other Units or the Condominium as a whole. No Unit or any part of the Common Areas and Facilities or Limited Common Areas shall be used or maintained in a manner contrary to or inconsistent with the provisions of this Master Deed, the Condominium Trust, the Bylaws, and the Rules and Regulations of the Condominium adopted pursuant to the Bylaws.

(E) No alteration, addition or change to any part of the Common Areas and Facilities or Limited Common Areas may be made and no structure or other improvement (including landscaping structures) may be built or placed on any portion of the Common Areas and Facilities or Limited Common Areas without the written approval of the Trustees. The provisions of this paragraph shall not apply to the Declarant.

(F) No nuisance shall be allowed in or upon the Condominium nor shall any use or practice be allowed which interferes with the peaceful possession or proper use of the Condominium by its residents. No unlawful, improper, or offensive use shall be made of the Condominium, or any part thereof, and all valid laws, ordinances, rules and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any Unit shall be eliminated by and at the sole expense of the Owner of said Unit and those relating to the Common Areas and Facilities shall be eliminated by the Trustees, except as may be otherwise provided for herein or in the Trust.

(G) No use of the Common Areas and Facilities shall be made save for the furnishing of the services and facilities for which they are reasonably suited and which

are incident to the use and occupancy of Units. No Unit Owner shall place or cause to be placed in or on any of the Common Areas and Facilities, other than the Limited Common Areas and to which such Unit Owner has exclusive rights, any furniture, packages, or objects of any kind without the written consent of the Trustees, nor shall any such area be utilized for other than its intended purpose.

(H) The Shared Septic System Facility on the Premises has been designed to support a finite number of Units and bedrooms. No bedrooms may be added to any Unit, other than by the Declarant, without prior written permission from the Declarant and the Wenham Board of Health.

10.0 Declarant's Reserved Rights; Phasing.

The Declarant reserves the right to itself, and its successors and assigns, the following rights with respect to the development and marketing of the Condominium and the sale of its Units:

10.1 Declarant's Reserved Rights to Construct and Add Additional Phases.

(A) Notwithstanding anything contained herein to the contrary, the Declarant reserves for itself and its successors in title, without the consent of any Unit Owner or mortgagee, the right within the period of twenty (20) years from the date of this Master Deed is recorded to expand the Condominium to add all or any portion of the Additional Land Parcels described in Schedule A-2. The Land and the Additional Land Parcels are together contemplated to consist of up to twenty-four (24) units. The Declarant and its successors and assigns reserve the right to add the Additional Land Parcels, Phases and Units, but are under no obligation to do so.

(B) Each deed, mortgage, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof, shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant and its successors to vote in favor of, make, execute and file the Amendment(s) creating additional Phase(s).

(C) The Declarant shall retain ownership of the Land to be added as each Phase, and to each Building(s) and Unit(s) to be constructed until such time as the same are added to the Condominium by an Amendment to the Master Deed and such Units are sold and conveyed by the Declarant. The Declarant retains all of the rights and obligations with respect to insurance, casualty losses and condemnation except as hereinafter provided, relating to the land and new Buildings in the later Phases until the same are added to the Condominium by an Amendment to the Master Deed. For example, in the case of a casualty affecting the unfinished Building, the Declarant rather than the Trustees, shall have the right to adjust, collect and retain insurance proceeds.

(D) The Declarant reserves the right to change the type of construction, size, use, layout, architectural design and principal construction materials of future Buildings and the Units therein which are to be added to the Condominium as part of future Phases; provided, however, that any future Buildings and the Units therein shall be consistent

with the quality of construction or renovation of Buildings and Units in the first Phase.

(E) The rights reserved in this Section 10 are sometimes referred to as "Development Rights" or "Phasing Rights".

10.2. Declarant's Right to Amend Master Deed for Additional Phases. The following provisions shall further define the Declarant's reserved rights to amend the Master Deed upon completion of additional Phases and certain obligations to which the Declarant must adhere:

(A) The Declarant may add future Phases, and the Additional Land Parcels, Buildings and Units therein, to the Condominium by executing and filing with the Registry of Deeds amendment(s) to this Master Deed which shall contain the following information: (1) an amended Exhibit A describing any Land being added to the Condominium; (2) an amended Exhibit B describing the Building(s) being added to the Condominium together with any Common Areas and Facilities and Limited Common Areas; (3) if the boundaries of the Units being added to the Condominium vary from those described in said Exhibit C, the definition of the Common Areas and Facilities contained in Section 6 hereof shall be modified, as necessary, with respect to such Units; (4) an amended Exhibit C containing the designation, locations, approximate areas, numbers of rooms, immediately accessible Common Areas and Facilities and other descriptive specifications of the Units being added to the Condominium, as well as the new Undivided Interests for all Units in the Common Areas and Facilities of the Condominium in keeping with Section 8 hereof for the determination of percentage interests; (5) if the Limited Common Areas designated as appurtenant to the Units being added to the Condominium vary from those described herein, a description of such variations so as to identify the new or modified Limited Common Areas appurtenant to the new Units; and (6) a revised Site Plan of the Condominium showing the new Land, and Building(s), and floor plan(s) for the new Units being added to the Condominium, which floor plan(s) shall comply with the requirements of Chapter 183A.

Upon the filing of any such Amendment to the Master Deed so as to include such additional Phase, the Units in such Building shall become Units in the Condominium for all purposes, including the right to vote, the obligation to pay assessments and all other rights and obligations as set forth herein for Units in the first phase of the Condominium.

(B) The Declarant shall not amend the Master Deed so as to include any additional phase(s) until the construction of the building(s) containing the Units comprising such Phase(s) have been completed sufficiently for the certification of plans as provided for in Section 8(f) of Chapter 183A.

(C) It is expressly understood and agreed that no such amendment(s) adding new Phases to the Condominium shall require the consent, approval or signature in any manner by any Unit Owner, any person claiming, by, through or under any Unit Owner (including the holder of any mortgage or other encumbrance with respect to any Unit) or any other party whatsoever and the only consent, approval or signature which shall be required on any such amendment is that of the Declarant. Any such amendment, when

executed by the Declarant and filed with the Registry of Deeds, shall be conclusive evidence of all facts recited therein and of compliance with all prerequisites to the validity of such amendment in favor of all persons who rely thereon without actual knowledge that such facts are not true or that such amendment is not valid.

(D) Each Unit Owner understands and agrees that as additional Phase(s) containing additional Units are added to the Condominium by amendment to this Master Deed pursuant to the Declarant's reserved rights hereunder, the Undivided Interest of the Unit in the Common Areas and Facilities, together with the Unit's concomitant interest in the Condominium Trust and liability for sharing in the common expenses of the Condominium shall be reduced, as the value of the Unit will represent a smaller proportion of the revised aggregate fair value of all Units in the Condominium. In order to compute each Unit's Undivided Interest after the addition of a new Phase, the fair value of the Unit measured as of the date of the amendment to the Master Deed shall be divided by the aggregate fair value of all Units (including the new Units being added to the Condominium), also measured as of the date of said amendment. These new percentage interests shall then be set forth in the aforesaid amended Exhibit C which is to accompany each amendment to this Master Deed which adds a new Phase to the Condominium.

(E) Every Unit Owner by the acceptance of a deed to the Unit (either granted by Declarant or subsequent Unit Owner) hereby consents for themselves, their heirs, administrators, executors, successors and assigns and all other persons claiming by, through or under them to the Declarant's reserved rights under this Section 10 and expressly agrees to the alteration of their Unit's appurtenant percentage ownership interest in the Common Areas and Facilities of the Condominium when new Phase(s) are added to the Condominium by amendment to this Master Deed pursuant to this paragraph.

(F) Notwithstanding the provisions of this Section to the contrary, in the event that it shall ever be determined that the signature of any Unit Owner, other than the Declarant, is required on any amendment to this Master Deed which adds new Phase(s) to the Condominium, then the Declarant shall be empowered, as attorney-in-fact for the owner of each Unit in the Condominium, to execute and deliver any such amendment by and on behalf of an in the name of each such Unit Owner; and for this purpose each Unit Owner, by the acceptance of the Unit deed, whether such deed be from the Declarant as grantor or from any other party, constitutes and appoints the Declarant as their attorney-in-fact. This power of attorney is coupled with an interest, and shall be irrevocable and shall be binding upon each and every present and future Owner of a Unit in the Condominium.

- 10.3 Reserved Construction and Development Rights Generally. The Declarant shall have all rights, licenses and easements necessary and appropriate to developing, constructing, marketing and selling the Condominium and its Units. Without limiting the generality of the foregoing and in furtherance thereof, and in furtherance of the rights provided in this Section, the Declarant reserves unto itself and its agents, servants, employees, independent contractors, workmen, work crews, successors and assigns, the right of access, ingress, and egress over and upon the Land and the Common Areas and Facilities

of the Condominium, including that deemed by the Declarant to be necessary for marketing purposes and for the work of construction, reconstruction, rehabilitation, improvement, and other work in progress or contemplated by the Declarant; the right to lay, maintain, repair and replace, construct, and install and connect (or connect with and make use of) all utilities, utility lines, poles, tanks, walls, ducts, conduits, and similar facilities to serve any or all of the Buildings and/or Units and the Common Areas and Facilities, and all conduits, ducts, plumbing, wiring, and other facilities for the furnishing of power, gas, light, master antenna, satellite antenna/cable television, water, air and all sewer and drainage pipes to serve any or all of the Buildings and/or Units and the Common Areas and Facilities; to pass and repass by foot and vehicle over all driveways, roadways, access ways, parking areas and walkways, whether now existing or to be constructed in the future, for all purposes for which driveways, roadways/access ways, parking areas and walkways are commonly used, including the transportation of construction materials, equipment, and personnel for the purposes of construction; to construct Buildings and improvements on the Land, and to engage in all activities necessary or appropriate to accomplish the same, including without limitation the exclusive right to grant to others, including any public utility or authority, easements for the installation and maintenance of utilities; to store construction materials, equipment, and supplies in those portions of the Common Areas and Facilities not subject to rights of exclusive use appurtenant to any Unit; to restrict (for periods of not more than eight (8) hours at any time during any day) the use by Unit Owners of Common Areas and Facilities to facilitate construction or for purposes of safety (provided that, no Unit Owner shall be denied at least one means of access to his/her/their Unit during such periods of restriction); to leave debris resulting from construction in the Common Areas and Facilities, provided the same do not endanger safety; to reasonably interrupt for brief intervals of time, water, gas, electric, and other utilities and service provided by such utility lines, pipes, tanks, wells, wires, cables, conduits, and septic and drainage lines in order to facilitate construction or in order to facilitate the installation of appliances or fixtures in the Buildings, Units or Common Areas and Facilities without liability for such interruption of service, provided, however, that the Declarant shall use its best efforts to minimize any such interruption of service; to park vehicles, used in connection with the construction work or incident thereto in parking areas that have not been assigned to any specific Unit Owner; and, in general, the right to do all things necessary or desirable in order to construct and complete all of the Buildings and/or Units and the Common Areas and Facilities. Declarant further reserves the right to use any Unit owned by the Declarant for storage or as a model, for display, as an office, for purposes of facilitating sales or leasing of Units in the Condominium, as well as the right to park and use one or more construction and/or marketing trailers or other temporary structure on the Land and to erect and maintain signage in connection therewith.

- 10.4 The Declarant's reserved rights under this Section 10 and elsewhere in this Master Deed (collectively, the "Reserved Rights") shall be assignable and may be freely pledged and mortgaged by the Declarant. For the purposes of this Master Deed and the By-Laws, "Declarant" shall mean and refer to **Wenham Pines, LLC**, which has executed, delivered and recorded this Master Deed, and to all successors and assigns of said Declarant who come to stand in the same relation as developer of the Condominium and holder of the Reserved Rights as it did. **Wenham Pines, LLC** may transfer by a deed or other

instrument of assignment the Declarant's Reserved Rights. Such Reserved Rights shall be deemed development rights as well as an interest in real estate. Any grantee or assignee of the Reserved Rights shall become the developer of the Condominium and be vested with the exclusive benefit of all the Reserved Rights of the Declarant hereunder upon the recording of a deed or instrument of assignment or transfer of the Reserved Rights.

11. Rights Reserved to the Condominium Trustees.

Upon twenty-four (24) hours advance notice (or such longer notice as the Trustees shall determine appropriate) to the Unit Owner involved, or immediately in case of emergency or a condition causing or threatening to cause serious inconvenience to another Unit, the Trustees shall have the right of access to each said Unit, the Common Areas and Facilities thereto, and to the Limited Common Areas and Facilities to: (a) inspect, maintain, repair or replace the Common Areas and Facilities and Limited Common Areas and to do other work reasonably necessary for the proper maintenance or operation of the Condominium, and (b) grant permits, licenses and easements over the Common Areas and Facilities and Limited Common Areas for the installation and maintenance of utilities, drainage, ways and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

12. Unit Owner's Rights and Obligations

- 12.1 All present and future Unit Owners, tenants, visitors, servants and occupants of Units shall be subject to, and shall comply with, the provisions of this Master Deed, the Condominium Trust, the Bylaws, the Rules and Regulations promulgated pursuant thereto, as they may be amended from time to time, and the items of record affecting title to the Property. The acceptance of a deed or conveyance of a Unit or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Master Deed, the Condominium Trust, the Bylaws, the Rules and Regulations promulgated pursuant thereto, as they may be amended from time to time, and the said items of record affecting title to the Property, are accepted and ratified by such Unit Owner, tenant, visitor, servant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. A violation of the provisions of this Master Deed, the Unit Deed, the Condominium Trust, the Bylaws, the Rules and Regulations promulgated pursuant thereto by any such person shall be deemed a substantial violation of the duties and obligations of a Unit Owner.
- 12.2 There shall be no restriction upon any Unit Owner's right of ingress and egress to and from his or her Unit, which right shall be perpetual and appurtenant to Unit ownership.
- 12.3 Voting power shall be proportionate to the Unit Owner's Undivided Interest in the Common Areas and Facilities to which a Unit is entitled hereunder.

- 12.4 Each Unit Owner shall be required to pay a proportionate share of common expenses upon being assessed therefore by the Trustees and such shares shall be proportionate to that Unit's Undivided Interest in the Common Areas and Facilities.
- 12.5 The Declarant, its successors and assigns, shall, except as expressly provided in this Master Deed, the Condominium Trust and the Bylaws, have the same rights and obligations as any other Unit Owner with respect to established, but unsold units.

13. Common Easements and Right of Access.

Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, flues, cables, conduits, utility lines, and other Common Areas and Facilities located in any of the other Units or elsewhere on the Property that serves their specific Unit and to use the common roads, walkways, and similar items for access to their Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, utility lines, and other Common Areas and Facilities located in such Unit and that serve other Units. The Trustees, and any of them, any manager or managing agent, and any other person authorized by the Trustees or by any manager or the managing agent, shall have a right of access to each Unit at reasonable times and upon reasonable notice, except in emergencies (where no notice is necessary), for the purpose of making inspections or for the purpose of correcting any conditions originating in any Unit or threatening another Unit or Common Areas and Facilities or adversely affecting the common expenses of the Condominium, or for the purpose of obtaining access to, and performing installations, alterations or repairs on the mechanical or electrical services or other Common Areas and Facilities in any Unit or elsewhere in the Buildings, or for any other purpose permitted by this Master Deed, Condominium Trust, the Bylaws, or Rules and Regulations promulgated pursuant thereto. In case of an emergency, such right of entry shall be immediate, by any appropriate means, whether the Unit Owner is present at the time or not.

14. Encroachments.

If any portion of the Common Areas and Facilities now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Areas and Facilities, or if any such encroachment shall occur hereafter as a result of (a) alteration or repair to the Common Areas and Facilities made by or with the consent of the Trustees, or (b) settling of all or any portion of the Building(s), or (c) repair or restoration of the Building(s) or any Unit after damage by fire or other casualty, or (d) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building(s) stands.

15. Security.

The Trustees may, but shall not be obligated to, maintain or support certain activities within the Buildings or Property designed to make the Buildings safer than they might otherwise be. Notwithstanding any references herein to a security system, fire system or other system of a similar nature, neither the Declarant, the Trustees nor any successor Declarant or Trustee shall be considered insurers or guarantors of security within the Buildings, nor shall

any of them be held liable for any loss, damage, injury or death by reason of failure to provide adequate security or the effectiveness of security measures undertaken.

16. Title to Units.

Title to Units may be taken in the name of an individual or in the name of two (2) or more individuals, as tenants in common, joint tenants, or tenants by the entirety, or in the name of a corporation, limited liability company or partnership (limited or general), or in the name of a fiduciary.

17. Sale or Transfer of Units.

A Unit Owner may, subject to the restrictions of this Master Deed and the Bylaws, assign, lease, sell or otherwise transfer all of its interest in its Unit, together with: (a) the undivided interest in the Common Areas and Facilities appurtenant thereto and the exclusive right to use the Limited Common Areas appurtenant to such Unit; (b) the interest of such Unit Owner in any Units theretofore acquired by the Trust or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such Unit Owner in any other assets of the Condominium ((a), (b), and (c) above hereinafter collectively called the "Appurtenant Interests"), provided that, at least fourteen (14) days prior to any such assignment, lease, sale or other transfer, the Unit Owner shall submit to the Trustees a certificate signed under the pains and penalties of perjury by the Unit Owner and the transferee confirming compliance with the Age Restriction; however, a failure to submit such certifications shall not affect the validity and continued effectiveness of the Age Restriction. Any deed to a purchaser, lease to a lessee, or mortgage to a secured party shall be deemed to provide that the acceptance thereof shall constitute an assumption of the provisions of the Master Deed, Condominium Trust, the Bylaws, and the Rules and Regulations promulgated thereunder, as the same may be amended from time to time. No Unit Owner shall execute any deed, lease, mortgage or other instrument conveying or mortgaging title to its Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, leased, transferred or otherwise disposed of, except as part of a sale, lease, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, lease, transfer or other disposition of such part of the Appurtenant Interests of all Units.

18. Amendment of Master Deed.

Subject to the limitation in Section 3.2 above regarding Permits and Approvals, this Master Deed may be amended upon the written consent of the Unit Owners holding at least seventy-five percent (75%) of the Undivided Interest herein, by an instrument signed and acknowledged by a majority of the Trustees of the Trust, and duly recorded with the Registry of Deeds, provided, however, that:

(A) All consents necessary thereto have been obtained within six (6) months of the date of signature of the first consent, and (a) any consent once given during this period may not have been revoked, and (b) in the case that a Unit is sold prior to the conclusion of this period, such consent shall bind the purchasing Unit Owner.

(B) No instrument of amendment which alters the dimensions or permitted use of any Unit shall be of any force or effect unless the same has been signed by the Owner of the Unit so altered and the same has been assented to in writing by all holders of all mortgages of record on said Unit;

(C) No instrument of amendment which alters the Undivided Interest of any Unit shall be of any force or effect unless the same is consented to by the Owners of such Unit and the same has been assented to in writing by all holders of all mortgages of record on such Unit, except as otherwise provided in Section 13 above;

(D) No instrument of amendment which alters the percentage of Undivided Interest of all Units shall have any force or effect unless consented to by all Unit Owners and their respective mortgagees, except as otherwise provided in Section 13 above;

(E) No instrument of amendment directly affecting any Unit upon which there is a mortgage of record shall be of any force or effect unless the same has been assented to in writing by the holder of such mortgage (or mortgages if more than one), except as otherwise provided in Section 13 above;

(F) No instrument of amendment affecting a Unit which impairs the security of a mortgage of record upon such Unit shall be effective without the assent of all holders of such mortgages of record;

(G) No instrument of amendment which alters this Master Deed in any manner which would render it contrary to or inconsistent with any requirements or provisions of Chapter 183A shall be of any force or effect;

(H) No instrument that alters, modifies or otherwise affects and/or conflicts with (a) the terms of the Age Restriction and/or the Conservation Restriction, (b) any rights granted to or held by the Town of Wenham hereunder, and/or (c) any Permits and Approvals shall be effective unless the Town of Wenham consents thereto in writing, in its sole and absolute discretion.

(I) No instrument of amendment which alters or violates any of the rights reserved to the Declarant herein, or in the Bylaws-reserved, shall be of any force or effect unless the same has been assented to in writing by the Declarant. The foregoing notwithstanding, the Trustees shall have the power coupled with the interest to, by an instrument signed by a majority of their number and duly recorded with the Registry of Deeds, amend this Master Deed to (a) correct any scrivener's and/or technical error made herein, or (b) to make this Master Deed comply with Chapter 183A, and other applicable state or federal laws or regulations, or (c) to comply with rules or regulations promulgated by the Federal National Mortgage Trust (FNMA) and/or the Federal Home Loan Mortgage Corporation (FHLMC),

or any other so-called secondary mortgage market agencies; or to satisfy applicable insurance requirements. This power may be exercised not only to add additional provisions, but also to delete theretofore required provisions should such no longer be required.

19. FNMA/FHLMC Provisions.

Notwithstanding anything in this Master Deed, the Trust, the Bylaws or the Rules and Regulations promulgated pursuant thereto to the contrary, but in all events subject to any greater requirement contained in Chapter 183A and the provisions of Section 18(H) hereof, the following provisions shall govern and be applicable insofar and so long as the same are necessary to qualify mortgages on Units for sale to FNMA or FHLMC and apply for the protection of them as holders of the first mortgages of record (hereinafter "First Mortgagees") with respect to the Units and shall be enforceable by any such First Mortgagee:

(A) In the event that the Unit Owners shall amend the Master Deed or the Bylaws to include therein any right of first refusal in connection with the sale of a Unit, such right of first refusal shall not impair the rights of a First Mortgagee to: (a) foreclose or take title to a Unit pursuant to the remedies provided in its mortgage; (b) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor; or (c) sell or lease a Unit acquired by the First Mortgagee. Any party who takes title to a Unit through foreclosure sale duly conducted by a First Mortgagee shall be exempt from any such right of first refusal adopted by the Unit Owners and incorporated in this Master Deed or the Bylaws.

(B) Any party who takes title to a Unit through foreclosure sale duly conducted by First Mortgagee shall be exempt from any such right of first refusal adopted by the Unit Owners and incorporated in this Master Deed or the Condominium Trust.

(C) Except as may be otherwise provided by applicable law, any First Mortgagee who obtains title to a Unit by foreclosure or pursuant to any other remedies provided in its mortgage or by law shall not be liable for such Unit's unpaid Common Expenses which accrued prior to the acquisition of title to such Unit by such First Mortgagee.

(D) Except as provided by statute, in case of condemnation or substantial loss to the Units and/or Common Areas and Facilities of the Condominium, in addition to any other requirements of this Master Deed, unless sixty-seven percent (67%) of the First Mortgagees (based upon one vote for each First Mortgagee), have given their prior written approval, the Unit Owners and the Trustees of the Trust shall not be entitled to:

- (1) by any act or omission, seek to abandon or terminate the Condominium;
- (2) change the undivided interest or obligations of any individual Unit for the purpose of:
 - (a) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or

- (b) determining the pro rata share of ownership of each Unit in the General Common Areas and Facilities; or
 - (3) partition or subdivide any Unit; or
 - (4) by any act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas and Facilities of the Condominium, provided that the granting of easements for utilities or for other purposes consistent with the intended use of the Common Areas and Facilities and/or permitted by Chapter 183A shall not be deemed an action for which prior consent of the First Mortgagees shall be required pursuant to this clause nor shall the designation of limited common areas as provided for in Chapter 183A; or
 - (5) use hazard insurance proceeds on account of losses to either the Units or the Common Areas and Facilities of the Condominium for other than the repair, replacement or reconstruction thereof.
- (E) Consistent with the provisions of Chapter 183A, all taxes, assessments and charges which may become liens prior to a first mortgage under the laws of the Commonwealth of Massachusetts shall relate only to the individual Units and not to the Condominium as a whole.
- (F) In no event shall any provision of this Master Deed or the Bylaws give a Unit Owner or any other party priority over any rights of a First Mortgagee pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or for a taking of such Unit and/or the Common Areas and Facilities.
- (G) A First Mortgagee, upon request made to the Trustees, or as provided by law, shall be entitled to:
- (1) written notification from the Trustees of any default by its borrower who is an owner of a Unit with respect to any obligation of such borrower under this Master Deed or the provisions of the Bylaws which is not cured within sixty (60) days;
 - (2) inspect the books and records of the Trust at all reasonable times;
 - (3) receive an annual financial statement of the Trust within one hundred twenty (120) days following the end of any fiscal year of the Trust;
 - (4) receive timely written notification of all meetings of the Trust and be permitted to designate a representative to attend all such meetings;
 - (5) receive timely written notification from the Trustees of any damage by fire or other casualty to the Unit upon which the First Mortgagee holds a first mortgage

or any proposed taking by condemnation or eminent domain of said Unit or the Common Areas and Facilities of the Condominium;

- (6) receive timely written notification of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Trust; and
- (7) receive timely notice of any proposed action which requires the consent of a specified percentage of eligible mortgage holders as specified in this Master Deed, the Condominium Trust, the Bylaws, and the Rules and Regulations promulgated pursuant thereto.

(H) In addition to all other requirements of this Master Deed, the Condominium Trust, or the Bylaws, the prior written consent of fifty-one percent (51%) of the First Mortgagees holding mortgages on Units who have requested notification of the consideration of material amendments and Unit Owners entitled to at least sixty-seven percent (67%) of the Undivided Interest herein shall be required for the following:

- (1) the abandonment of the Condominium status or the Condominium except for abandonment provided by statute in case of substantial loss to the Units and Common Areas and Facilities;
- (2) the partition or subdivision of any Unit or of the Common Areas and Facilities;
- (3) a change in the Undivided Interest of any individual Unit, except as otherwise provided in Section 13 above;
- (4) to add or amend any material provisions of the Master Deed or the Bylaws which, establish, provide for, govern or regulate any of the following:
 - (a) Voting;
 - (b) Assessments, assessment liens or subordination of such liens;
 - (c) Reserves for maintenance, repair and replacement of the common areas and facilities;
 - (d) Insurance or Fidelity Bonds;
 - (e) Rights to use of the Common Areas and Facilities;
 - (f) Responsibility for maintenance and repair of the several portions of the Property;
 - (g) Expansion or contraction of the project or the addition/annexation or withdrawal of property to or from the Property;

- (h) Boundaries of any Unit;
- (i) The interests in the Common Areas and Facilities;
- (j) Convertibility of Units into Common Areas or of Common Areas into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit estate owner to sell, transfer, or otherwise convey his/her/their Unit estate.

Any First Mortgagee that does not deliver or post to the Trustees a negative response within thirty (30) days of a written request by the Trustees for approval of any addition or amendment pursuant to this Section and sent by certified mail return receipt requested shall be deemed to have consented to the addition or change set forth in such request. An affidavit by the Trustees making reference to this Section, when recorded at the Registry of Deeds shall be conclusive as to the facts therein set forth as to all parties and may be relied upon pursuant to the provisions of the Bylaws. It is intended that the provisions of this Master Deed, the Condominium Trust, the Bylaws, and the Rules and Regulations promulgated pursuant thereto, shall, as may be necessary, comply with the requirements of the Federal National Mortgage Trust (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) with respect to Condominium loans and except as may otherwise specifically be provided in this Master Deed, the Condominium Trust, the Bylaws, and the Rules and Regulations promulgated pursuant thereto, all questions with respect thereto shall be resolved consistent with that intention.

The provisions of this Section 19 may not be amended or rescinded without the written consent of all First Mortgagees with the exception of those amendments necessary to keep the Master Deed or Condominium Trust in compliance with the requirements of Chapter 183A, other state or federal law, rule and regulation, or of FNMA and FHLMC or other secondary mortgage requirements as in this Section 19 provided, which consent shall appear on the instrument of amendment as such instrument is duly recorded with the Registry of Deeds.

20. Conflicting Provisions.

If any provisions of this Master Deed shall conflict with Chapter 183A, as amended, or if any provision of this Master Deed conflicts with any other provision thereof or with any provision of the Declaration of Trust or the Bylaws, then the following rules of construction shall be used:

- (A) In the event of a conflict between the Master Deed and Chapter 183A, as amended, the provisions of Chapter 183A shall control;
- (B) In the event of a conflict between this Master Deed and the Condominium Trust, this Master Deed shall control;

(C) In the event of a conflict between any numerical voting requirements for action set forth in any provision of this Master Deed or the Condominium Trust, the provisions requiring the greater percentage or fraction for action to be taken or avoided shall control.

21. Invalidity.

The invalidity of any provision of this Master Deed shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Master Deed and, in such event, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included herein.

22. Waiver.

No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

23. Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Master Deed nor the intent of any provision hereof. Terms of gender shall be interchangeable, as shall be terms reflecting the singular and plural.

24. Chapter 183A.

The Units and Common Areas and Facilities, and the Unit Owners and Trustees, shall have the benefit of, and be subject to the provisions of Chapter 183A, in effect upon the date of execution of this Master Deed and any future amendments thereto. In all respects not specified in this Master Deed or in the Bylaws, they shall be governed by the provisions of Chapter 183A in their relation to each other and to the Condominium established hereby, including, without limitation, provisions thereof with respect to removal of the Condominium premises or any portion thereof from the provisions of Chapter 183A. All terms and expressions herein used which are defined in Section 1 of Chapter 183A shall have the same meanings herein unless the context otherwise requires.

25. Duration.

The Condominium hereby created shall terminate only upon the removal of the same from the provisions of Chapter 183A in accordance with the procedure therefore set forth in Section 19 of Chapter 183A, or any successor to such section, provided, however, that in no event shall this Condominium terminate unless adequate provision has been made for the maintenance of the Common Areas and Facilities, the assessment and collection of Common Expenses to pay the costs therefor, and the enforcement of the Age Restriction and the Conservation Restriction, and the Town of Wenham has approved of the same in writing at least sixty (60) days prior to any such termination, and no amendment or other modification of this Master Deed shall affect the terms hereof. The Unit Owners may remove all or a portion of

the Condominium from the operation of Chapter 183A as amended from time to time at any annual or special meeting of the Unit Owners by the affirmative vote of ninety percent (90%) in interest of the Unit Owners; provided that notice of such removal is given in the notice of the meeting, that the holders of mortgages of record on Units which have sixty-seven percent (67%) or more of the Undivided Interest in the Common Areas and Facilities consent to such removal by written instruments duly recorded with said Registry of Deeds.

Notwithstanding the foregoing, the Unit Owners may not remove all or any portion of the Condominium from the provisions of said Act, or terminate the Condominium during the period that the Declarant, its successors and assigns, holds any Reserved Rights as provided herein, as said period may be duly extended, unless such is consented to by the Declarant, its successors and assigns, and any lender of the Declarant, its successors and assigns, holding a security interest on any such rights. It is confirmed by the Declarant, and (by their acceptance and recording of their "unit deeds") all Unit Owners (and their mortgagees) that the Reserved Rights are a real estate interest in the Condominium, and that the Unit Owners' interests in and to the Common Areas and Facilities of the Condominium are and shall be at all times be subject to the Reserved Rights; and in the event the Condominium is terminated or otherwise removed from the provisions of said Act, as a result of a casualty or for any other reason whatsoever, or if there shall be proceeds of any insurance or any awards on account of any taking to be distributed, prior to the date that the Reserved Rights expire pursuant to the terms hereof, then the Declarant, or its successors and assigns, as the holder of the Reserved Rights, shall be entitled, prior to the Trustees or any Unit Owner (or their mortgagees) being entitled to receive any proceeds from the termination of the Condominium or removal of the from condominium status (including, without limitation, the proceeds of any partition or other sale), and prior to any Unit Owner (or their mortgagees) being entitled to any proceeds of any insurance or any awards on account of any taking, to receive all such proceeds to the extent of the fair market value at such time of (or if the Condominium is not terminated, to the extent of the loss sustained by the Declarant with respect to): the fair market value of all Building and improvements on the Property which have not been added to the Condominium.

Witness the execution hereof under seal as of the date first written above.

DECLARANT

WENHAM PINES, LLC, a Massachusetts limited liability company

By: _____

COMMONWEALTH OF MASSACHUSETTS

ESSEX, ss.

On this ____ day of _____, 2019 before me, the undersigned notary public, personally appeared _____, as Manager of **Wenham Pines, LLC**, a Massachusetts limited liability company, proved to me through satisfactory evidence of identification, by showing me a copy of his identification, which was a Massachusetts driver's license, or personally known to me, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose on behalf of said Wenham Pines, LLC.

Notary Public
My commission expires:

EXHIBIT A - The Land

The parcel of land together with the improvements thereon, situated on Main Street and Pine Hill Road in the Town of Wenham, Essex County, Massachusetts, being shown as Lot 1 on the plan entitled "Plan of Land in Wenham, MA" dated April 30, 2017, prepared by Hancock Associates, said plan being recorded with said Registry of Deeds in Plan Book 465, Plan 76. Said Lot 1 contains approximately 8.4415 acres according to said plan.

Together with the right to use in common with the others entitled thereto, the private way known as Pine Hill Road shown on said Plan.

For title reference see deed to the Declarant dated May 23, 2018 recorded with said Registry of Deeds in Book 36742, Page 281.

EXHIBIT A-1 - Record Encumbrances

1. The rights of upper and lower riparian owners in and to the waters of the brook or river and their natural flow.
2. The rights, if any, of the City of Salem to "lay and maintain a water pipe across the same as set forth in deed by me to said City dated January 7, 1895, and recorded with Essex, South District, Book 1435, Page 25", as mentioned in Book 2331, Page 332 and in Parcel 5, Book 5982, Page 439.
3. Layout No. 2950 and Order of Taking recorded in Book 2934, Page 594.
4. The rights, if any, of the Commonwealth of Massachusetts as set forth in a deed recorded in Book 2938, Page 128 relative to the lay-out of Main Street.
5. The rights, if any, of the Commonwealth of Massachusetts as set forth in a deed recorded in Book 2938, Page 129 relative to the lay-out of Main Street.
6. Subject to "the right and easement of Frederick C. Batchelder and Margaret M. Batchelder for the benefit of their remaining land at 62 Main Street, said Wenham, to use the existing driveway to their property for all purposes for which public ways are used in the Town of Wenham, as set forth in Book 5982, Page 439 and shown as a "Right of Way (30' wide)" on a plan entitled: "Plan of Land in Wenham, Property of Frederick C. & Margaret Batchelder" by Hancock Survey Associates, Inc. dated Oct. 12, 1978 and recorded at Plan Book 1980, Plan 16, as the same is affected by that certain Mutual Release of Rights and Confirmation of Easement between Wenham Pines, LLC and Alice D. Osgood, Trustee of the Alice D. Osgood 2011 Revocable Trust, dated as of May 9, 2018, recorded in Book 36742, Page 346.
7. Utility easement granted to Massachusetts Electric Company recorded in Book 6623, Page 601.
8. Matters shown on the following plans:
 - a) Wenham Historic District, 1972, by H. W. Boothroyd, 12/71, recorded at Plan Book 123, Plan 28.
 - b) Plan entitled "Salem April 5, 1871 ... Copy of plan accompanying deed Parker P. Tyrrell to Eastern Rail Road Corporation recorded, Book 820, Leaf 16 by Ephram Brown".
 - c) Plan entitled: "Plan of the Tyrril Est., Wehnam" by C.A. Putman, C.E., datged June 28, 1892, recorded at Book 1352, Page 363.
 - d) Plan entitled: "Plan to Show Survey of Existing Water Main From Wehnam Lake to Longham Reservoir and Easements in Wenham and Beverly, Salem Beverly Water Supply Board", dated January 8, 1976 and recorded at Plan Book 136, Plan 79.
 - e) Plan entitled: "Thirty-Four Main St., L.L.C." by LeBlanc Survey Associates, Inc., dated April 7, 2004, recorded at Plan Book 376, Plan 44.

- f) Plan entitled: "Boston and Maine Corporation to Charles F. Coles & Charles F. Coles, Jr." by Vernon J. LaBlanc dated March 4, 2004, recorded at Book 375, Page 13.
 - g) Plan of State Alteration of Main Street, 1932, Plan Book 61, Plan 96.
 - h) Plan entitled: "Plan of Land in Wenham, Property of Frederick C. & Margaret Batchelder" by Hancock Survey Associates, Inc. dated Oct. 12, 1978 and recorded at Plan Book 1980, Plan 16 (sheet #373 in the supplement to title report).
 - i) Plan entitled: "Plan of land in Wenham, MA, property of William J. Flynn" by Donohoe and Parkhurst, Inc., dated July 25, 2008, Project No. 2283, including:
 - i. "30' Private Way" depicted on the eastern boundary.
 - ii. Overhead wires depicted on the western boundary.
 - iii. 36" Water Main depicted along the southern boundary.
9. Water pipes easement set forth in a description of "certain easements" recorded at Book 1457, Page 201.
 10. Water main easement shown on plan recorded at Plan Book 136, Plan 79.
 11. The plan entitled: "Plan of land in Wenham, MA, property of William J. Flynn" by Donohoe and Parkhurst, Inc., dated July 25, 2008, Project No. 2283 indicates that portions of the land to be insured may be located within the Historic District and/or the Aquifer Protection District.
 12. Terms and conditions contained in that certain Amended and Restated Host Community Agreement dated January 12, 2016 between the Town of Wenham, the Trustees of The Flynn Family Enterprises Irrevocable Trust and Wenham Pines, LLC, recorded at Book 36742, Page 247, as affected by the Affidavit recorded at Book 36749, Page 484, and as amended by instrument dated _____, 2019 and recorded at Book _____, Page _____.
 13. Special Permit and Site Plan Approval Decision of the Wenham Planning Board dated March 9, 2017 and recorded at Book 36584, Page 427, as amended by Decision dated November 9, 2017 recorded at Book 36584, Page 444, and as further amended by Decision dated _____, 2019 recorded at Book _____, Page 444 _____.
 14. Order of Conditions issued by the Wenham Conservation Commission as MassDEP File #326-0359, dated March 27, 2017 and recorded at Book 36672, Page 448, as amended by Amended Order of Conditions dated August 28, 2017, recorded at Book 36418, Page 408.
 15. Certificates of Appropriateness issued by the Wenham Historic Commission dated July 21, 2016, August 19, 2016 and May __, 2017 and recorded at Book ____, Pages ____, ____ and ____.
 16. Town of Wenham Planning Board March 13, 2017 Surety Covenant for Wenham Pines recorded at Book 36742, Page 317.
 17. Age Restriction, recorded in Book 36742,, Page 323;
 18. Conservation Restriction, recorded in Book 36742, Page 297;

19. Notice of Alternative Sewage Disposal System, dated as of May 25, 2018, recorded in Book 36742, Page 339.
20. Easements and other matters contained in Deed to Wenham Pines, LLC dated May 24, 2018, recorded with said Registry in Book 36742, Page 281.
21. Special Permit/Signs Decision dated March 7, 2018, recorded in Book 36742, Page 343.
22. Grant of Easement to Massachusetts Electric Company dated August 23, 2018, recorded in Book 36987, Page 203.

EXHIBIT A-2 – Additional Land Parcels

The parcels of land together with the improvements thereon, situated on Main Street and Pine Hill Road in the Town of Wenham, Essex County, Massachusetts, being shown as “Remaining Land of Flynn Family Enterprises Irrevocable Trust” on the plan entitled “Plan of Land in Wenham, MA” dated April 30, 2018, prepared by Hancock Associates, said plan being recorded with said Registry of Deeds in Plan Book 465_, Plan 76. Said Remaining Land consists of approximately 24.10 acres according to said plan.

Together with the right to use in common with the others entitled thereto, the private way known as Pine Hill Road shown on said Plan, and the easements and other matters reserved in the Deed to the Declarant dated May 23, 2018 recorded with said Registry of Deeds in Book 36742, Page 281.

EXHIBIT B - Description of the Buildings

Phase I of the Condominium consists of ____ () duplex buildings (each a "Building"), numbered _____. Each Building consists of two floors of wood frame construction above an unfinished basement.

The exterior of each Building is comprised of wood siding and asphalt shingle. Each Building contains two (2) dwelling units and two (2) attached garages. Each garage is a part of the Unit that it serves.

The Buildings are shown on the plan entitled "Wenham Pines Condominium, Site Plan of Land located in Wenham, MA" prepared by Hancock Associates, dated _____, 2018 to be recorded herewith (the "Site Plan").

The street address for the Phase I of the Condominium is _____ Pine Hill Road, Wenham, Massachusetts.

EXHIBIT C - Description of the Units

The Units are shown on the condominium floor plans entitled "Wenham Pines Condominium, Wenham, Massachusetts" prepared by Grazado Velleco Architects, dated _____, 2018, to be recorded with the Registry of Deeds herewith. The unit designation of each Unit and statement of its location, approximate area, number of rooms, and its proportionate interest in the Common Areas and Facilities of the Condominium, are as follows:

Unit No.	Street Address	Statement of Unit Location	Approx. Area of Unit in Square Feet (excluding garage)	Number and Designation of Rooms	Proportionate Interest of Unit in Common Areas and Facilities

Key: BR=Bedroom; K=Kitchen; DR=Dining Room; LR=Living Room; B=Bathroom; ½B=Half Bathroom; MR=Mudroom; S=Study; L= Laundry; RR=Recreation Room.

[The immediate common areas to which each Unit has access are (1) the front, side and/or rear porch/steps attached to each Unit and leading to Exclusive Use Yard, and (2) the driveways serving each Unit.]:

Return to:

(SPACE ABOVE THIS LINE RESERVED FOR REGISTRY OF DEEDS USE)

**WENHAM PINES CONDOMINIUM
WENHAM, MASSACHUSETTS**

DECLARATION OF TRUST

This DECLARATION OF TRUST ("Declaration of Trust") is made on the ____ day of _____, 2018, by **WENHAM PINES, LLC**, a Massachusetts limited liability company having an address of Six Kimball Lane, Suite 300, Lynnfield, MA 01940 (hereinafter, the "Declarant," which term shall be deemed to include its successors and assigns hereunder). Capitalized terms used but not defined herein shall have the meanings set forth in the Master Deed defined below.

ARTICLE I - NAME OF TRUST

The name of this Trust shall be the **WENHAM PINES CONDOMINIUM TRUST** (the "Trust"), and under that name, so far as legal, convenient and practicable, all activities shall be carried on by the Trustees and all documents shall be executed by the Trustees.

ARTICLE II - THE TRUST AND ITS PURPOSE

2.1 Unit Owners Organization. All of the rights and powers in and with respect to the Common Areas and Facilities of the **WENHAM PINES CONDOMINIUM TRUST**, a condominium located at 56-60 Main Street, Wenham, Essex County, Massachusetts (the "Condominium") established by a Master Deed of even date hereof and recorded herewith in the Essex South District Registry of Deeds (as amended from time to time, the "Master Deed"), which are, under the provisions of Massachusetts General Laws ("Chapter 183A"), conferred upon or exercisable by the organization of Unit Owners of the Condominium, and all property, real and personal, tangible and intangible, conveyed to or held by the Trustees (the "Trust Property") hereunder shall vest in the Trustees, as it or they may from time to time be, in trust, to exercise, manage, administer and dispose of the same and to receive the income thereof (a) for the benefit of the Unit Owners of the Units of the Condominium according to the respective Undivided Interests, as set forth in the Master Deed, and (b) in accordance with the provisions of Chapter 183A. This Trust is the organization of Unit Owners established pursuant to the provisions of Section 10 of Chapter 183A for the purposes therein and herein set forth.

2.2. Entity Created. It is hereby expressly declared that a trust and not a partnership has been created, and that the Unit Owners are not partners or associates nor in any other relation whatsoever among themselves and with respect to the Common Areas and Facilities and/or Trust Property other than as Unit Owners of the Condominium, and hold no relation to the Trustees.

ARTICLE III - THE TRUSTEES

3.1. Number of Trustees. Until the "Transition Date" described in Section 3.4 below, the Trustees shall be appointed by the Declarant as described in said Section 3.4. After the Transition Date, there shall be a Board of Trustees (the "Trustees") consisting of five (5) natural persons who shall be elected as hereinafter provided. Such natural persons shall be Unit Owners or spouses of Unit Owners. If title to a Unit is held by a fiduciary, such natural person may be the fiduciary, or in the case of a Unit owned by a corporation, an officer or director of such corporation; if by a limited or general partnership, by a general partner thereof; or if by a limited liability company, by a member or manager thereof.

3.2. Terms of Trustees. After the Transition Date, the term of each Trustee shall be for a period of three (3) years from the Annual Meeting of Unit Owners at which such Trustee is elected. A Trustee whose term has expired shall continue in office until a successor is elected or appointed as hereinafter provided.

3.3. Vacancies, Election, Appointment and Acceptance of Trustees. After the Transition Date, if and when the number of Trustees shall become fewer than five (5) due to death, disability, removal or resignation, a vacancy shall be deemed to exist, whereupon a special meeting of the Unit Owners shall be duly convened within sixty (60) days of the creation of such vacancy to elect a successor Trustee. The expiration of a term shall also create a vacancy which shall, however, be filled at the Annual Meeting of the Unit Owners. The five (5) Trustees shall be elected by the vote of a majority of the Unit Owners all as are present in person or by written proxy; provided, however, that a quorum of the Unit Owners voting for a specific Trustee must be present in person or by written proxy. In the event that any of the Trustees fails to be so elected, then such vacancy or vacancies shall be filled by appointment of the Trustee elected by such respective Unit Owners whose term has expired or who has otherwise resigned or ceased serving. If such Trustee is unable or unwilling to appoint a successor Trustee, then upon the petition therefor of any Unit Owner entitled to vote for such Trustee, with notice to all other Unit Owners, the Trustee position shall be filled by the appointment, or appointments, of a court of competent jurisdiction. The election or appointment of Trustees shall become effective upon such election or appointment. An instrument certifying such election or appointment shall be recorded with Essex South District Registry of Deeds ("Registry"), sworn and subscribed to by a majority of the then Trustees, (1) referencing this Declaration of Trust; (2) reciting the existence of a vacancy; (3) referencing the election or appointment of the successor Trustee; and (4) containing an acceptance of such election or appointment by the successor Trustee. Except as provided in Article VIII hereof, the failure or delay in recording said instrument shall not affect the validity of such Trustee's election.

3.4. Trustees During Initial Period of Condominium; Transition Provisions.

A. For the purposes hereof, the term "Recording Date" shall mean the date that this Declaration of Trust is recorded with the Registry, and the term "Transition Date" shall mean the date

that is the earlier to occur of (i) the date that the last Unit in the Condominium is conveyed by the Declarant to a third-party purchaser; or (ii) three (3) years from the recording of the Master Deed.

B. Notwithstanding anything to the contrary herein, during the period commencing on the Recording Date and terminating on the Transition Date, the Declarant shall be the initial Trustee appointed hereunder ("Initial Trustee").

C. Within thirty (30) days after the Transition Date, a special meeting of the Unit Owners shall be held for the purpose of electing five (5) successor Trustees who shall serve as described above. Such Trustees shall be elected by the vote, in person or by written proxy, of the Unit Owners as provided in Section 3.3 above. The Declarant may at its sole option, choose to accelerate the Transition Date (to a date which is earlier than that determined as set forth above).

3.5. Trustee Action. In any matter relating to the administration of the Condominium and the exercise of the powers herein conferred, the Trustees shall act by majority vote of their number at any duly called meeting at which a quorum is present as hereinafter provided. Notwithstanding the foregoing, the Trustees may also act without a meeting by instrument or instruments executed by all of their number.

A. Power to Act When Vacancy Exists. Notwithstanding anything contained herein to the contrary, despite any vacancy in the office of Trustee, however caused and for whatever duration, the then remaining or surviving Trustees, or Trustee, shall continue to exercise and discharge all of the powers, discretions and duties hereby conferred or imposed upon the Trustees.

3.6. Trustee Meetings; Quorum. Until the Transition Date, regular Trustee meetings shall not be necessary, but may be called by any initial Trustee upon five (5) days' written notice to any and all other Trustees. After the Transition Date, the Trustees shall meet at such regular interval, time and place as they may determine, and specifically upon the request of any two (2) Trustees provided, however, that written notice of each such special meeting setting the place, day, hour and purpose thereof shall be given at least five (5) business days before such meeting to each Trustee, unless such notice is waived by all Trustees. A majority of the number of Trustees then in office shall constitute a quorum at all meetings, and such meetings shall be conducted in accordance with such rules as the Trustees may adopt.

3.7. Officers; Committees. After the Transition Date, there shall be from among the Trustees, in addition to such other officers as they may elect from their number, the following officers who shall have the following listed duties:

A. Chairman. The Chairman shall be the chief executive officer of the Trust. He or she shall preside at all meetings of the Unit Owners and of the Trustees. The Chairman shall have the power to appoint committees from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. If the Chairman is unable to act at any time, the remaining Trustees shall appoint some other of their number to act in the place of the Chairman on an interim basis.

B. Treasurer. The Treasurer shall have the responsibility for overseeing the Trust's funds and securities and shall be responsible for maintaining full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all monies and other valuable effects in the name of the Trust in such depositories as may from time to time be designated by the Trustees.

C. Clerk. The Clerk shall maintain the minutes of all meetings of the Unit Owners and of the Trustees; he or she shall, in general, perform all the duties incident to the office of clerk or secretary of a business corporation organized under Massachusetts law.

D. Committees. The Trustees may appoint committees from among the Unit Owners from time to time as the Trustees may decide is appropriate to assist in the conduct of the affairs of the Condominium. The Trustee elected by such Unit Owners shall be responsible for coordinating communication with its respective Unit Owners and arranging and conducting meetings with such committee members. There shall, additionally, be such committees with such duties and responsibilities as designated by the Trustees as aforesaid (any member of such committee, a "Committee Member").

3.8. Resignation; Removal. Any Trustee may resign at any time by an instrument in writing, signed and acknowledged in the manner required in Massachusetts for the acknowledgement of deeds and delivered to the remaining Trustees. Such resignation shall take effect upon the recording of such instrument with the Registry, unless specified to be effective at some other time in said instrument. The remaining Trustees, or Trustee, shall forthwith cause said instrument to be duly recorded with said Registry. After the Transition Date, any Trustee may, with or without cause, be removed by a vote of at least seventy-five percent (75%) of the Unit Owners electing such Trustee. The vacancy so resulting shall be filled in the manner provided in Section 3.3 hereof. In no case may the Initial Trustees or any successor Initial Trustees appointed by the Declarant be removed except by the Declarant.

3.9. Bond or Surety. No Trustee elected or appointed as hereinbefore provided, whether as an Initial Trustee or as successor to or as substitute for another, shall be obliged to give any bond or surety or other security for the performance of any of his/her duties hereunder.

3.10. Compensation of Trustees and Committee Members. No Trustee or Committee Member shall receive remuneration for his/her services unless so provided for by a vote of the Unit Owners holding at least seventy-five percent (75%) of the Undivided Interest and such remuneration shall be a Common Expense of the Condominium.

3.11. No Personal Liability. No Trustee or Committee Members shall under any circumstances or in any event be held personally liable by reason of any action taken, suffered or omitted in good faith or deprived by reason of honest errors of judgment or mistakes of fact or law or by reason of anything except his/her own personal and willful malfeasance and defaults, and/or such other conduct as would exempt him/her from indemnification as provided in Section 3.13 hereof.

3.12. Transactions with Interested Parties. Any Trustee may be counted for determining the existence of a quorum and may vote at any meeting of the Trustees for the purpose of authorizing any contract or transaction between the Trust and any corporation, firm, association, limited liability

company, trust, partnership, or other entity or person, even if such Trustee is pecuniarily or otherwise interested in, or is a director, member, trustee, officer or partner of, such corporation, firm, association, limited liability company, trust, partnership or other entity, provided that (i) the Trustee is acting in good faith; (ii) discloses the nature of his/her interest before the contract or transaction is authorized by the Trustees and entered into; and (iii) the terms of such contract or transaction are reasonably comparable to the terms of similar contracts or transactions involving similar circumstances.

3.13. Indemnification. The Trust shall, to the extent legally permissible, indemnify each of its Trustees and Committee Members against all liabilities and expenses reasonably incurred by him/her in connection with the defense or disposition of any action, suit or other proceeding, except with respect to any matter as to which s/he shall have been adjudicated in any proceeding to have acted in bad faith or with willful misconduct or reckless disregard of his/her duties or not to have acted in good faith in the reasonable belief that his/her action was in the best interests of the Condominium.

ARTICLE IV- BENEFICIARIES AND THE UNDIVIDED INTEREST IN THE TRUST

4.1. Beneficiaries and the Undivided Interest. The beneficiaries of the Trust shall be the Unit Owners of the Condominium as they may be from time to time. The Undivided Interest in the Trust hereunder shall be divided among the Unit Owners in the same percentages as the Undivided Interest in the Common Areas and Facilities, as specified in the Master Deed.

4.2. Undivided Interest Held by One Person. The Undivided Interest appertaining to each Unit shall not be divided among several owners of any Unit. For Units to which title is held by a corporation, general or limited partnership, or limited liability company, a duly authorized representative of such entity shall be the designee.

4.3. Meetings Of Unit Owners. Meetings of the Unit Owners shall be held as hereafter provided:

A. Annual Meeting. There shall be an annual meeting of Unit Owners on the first Thursday of December at 7:30 P.M. at such place and time as may be designated by the Trustees (the "Annual Meeting"). The Trustees shall give written notice thereof to the Unit Owners at least fourteen (14) days prior to said date, which notice shall include an agenda and a full description of all matters to be voted upon, if any.

B. Special Meetings. Special meetings of the Unit Owners may be called at any time by the Trustees and shall also be called by them upon the written request of Unit Owners holding at least thirty-three and one third percent (33 1/3%) of the Beneficial Interest ("Special Meeting"). A request for such Special Meeting from the Unit Owners shall be accompanied by a delineation of the items the requestors wish to have considered at said meeting, including the text of any proposed amendment to the Condominium's documents. Written notice of any Special Meeting designating the place, day and hour thereof, together with a full description of the matter(s) to be discussed and/or voted upon, shall be given by the Trustees to the Unit Owners at least fourteen (14) days prior to the date so designated.

C. Voting. The owner or owners of each Unit, either personally or through some person designated in writing by such owner or owners to act as proxy, shall each be entitled to cast votes equivalent to the Unit Owner's Undivided Interest at all meetings of the Unit Owners.

D. Unit Owners. The term "Majority Vote," "majority of," "majority in interest of the Unit Owners" or the like, shall mean Unit Owners holding Undivided Interests equal to more than fifty percent (50%) of the Undivided Interests held by Unit Owners present in person or by written proxy and voting at any duly called meeting of the Unit Owners at which a quorum is present and acting. As used in this Declaration of Trust, any stated percentage of the Unit Owners shall mean Unit Owners holding in the aggregate that Undivided Interest of the total Undivided Interests in the Condominium. An affirmative vote by the majority of Unit Owners shall be binding upon all Unit Owners for all purposes except where in the Master Deed or this Declaration of Trust, or as may be required by law, a higher percentage vote is required.

E. Quorum. Except as otherwise provided in this Declaration of Trust, the presence in person or by written proxy of Unit Owners holding Undivided Interests equal to more than fifty percent (50%) of the total Undivided Interest in the Condominium entitled to vote on a certain matter shall constitute a quorum at all meetings of the Unit Owners. Notwithstanding the foregoing to the contrary, if a quorum is not present at any meeting (or rescheduled meeting), the Unit Owners may convene for discussion purposes, but official action may only be taken at a meeting (or a rescheduled meeting) at which a quorum is present.

F. Proxies. A Unit Owner may grant to any natural person, upon a form specified by the Trustees, his/her/its proxy to vote and/or attend meetings of the Unit Owners.

G. Minutes. Accurate minutes of all Unit Owner meetings shall be taken by a person designated by the Trustees and shall be maintained as part of the records of the Trust.

ARTICLE V - BYLAWS

The provisions of this Article V shall constitute the Bylaws (the "Bylaws") of this Trust and of the organization of Unit Owners established hereby and shall be applicable to the property of the Condominium, the Trust Property and to the use and occupancy thereof. The term "Property" as used herein and in the Master Deed shall include the Land, the buildings in which the Units are located, and all other improvements on the Land now or hereafter included as part of the Condominium, including the Units and Common Areas and Facilities, owned in fee simple absolute, or otherwise, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection with the Condominium, all of which are intended to be submitted to the provisions of said Chapter 183A. The provisions of these Bylaws shall automatically become applicable to real property which may be added to the Condominium upon the recording of an amendment to the Master Deed submitting such additional real property to the provisions of Chapter 183A.

All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Condominium and/or the Property and/or the Trust Property in any manner, are subject to the Master Deed, this Declaration of Trust, and the Bylaws

and Rules and Regulations promulgated hereunder (collectively, the "Condominium Documents"), and all covenants, agreements, restrictions, conditions, easements and declarations of record (the "Title Conditions"). The acceptance of a deed or conveyance or the entering into of a lease or Chapter 183A of occupancy of a Unit shall constitute an agreement that the provisions of the Condominium Documents and the Title Conditions, as they may be amended from time to time are accepted, ratified and will be complied with.

5.1. Powers and Duties of Trustees. The Trustees shall, subject to all provisions of applicable laws, the Master Deed and this Declaration of Trust, including these Bylaws, have the absolute right to control, manage and dispose of the Property (excluding the Units) and the absolute right to control, manage and dispose of the Trust Property as if they were the absolute owners thereof. The powers and duties of the Trustees shall include, but shall not be limited to, the following:

A. Operating, caring for, maintaining, managing, repairing and replacing the Common Areas and Facilities of the Condominium or any part thereof. The Unit Owners, individually and through the association of Unit Owners established hereby, shall have the affirmative duty to maintain the Common Areas and Facilities, as set forth in Sections 6 and 7 of the Master Deed, and the Declarant shall not be liable for any loss or injury sustained through the failure of any Unit Owner or the association of Unit Owners to properly care for any of the Common Areas and Facilities, including without limitation all driveways and parking areas and the following responsibilities: (i) maintaining, inspecting, repairing and replacing all as reasonably needed from time to time and in conformity with all Permits and Approvals of the Master Deed, the private roadway known as Pine Hill Road, the Drainage System and the Sewage Disposal System described in Section 6 of the Master Deed, (ii) enforcing the Age Restriction and other restrictions set forth in the Master Deed, and (iii) maintaining, and observing and enforcing all restrictions and conditions applicable to the Open Space Parcels described in Section 3.3 of the Master Deed, including the Conservation Restriction, all in accordance with the terms of the Permits and Approvals. Reference is hereby made to the Summary of Trust Maintenance and Inspection Obligations attached hereto as Schedule I and incorporated herein by reference, which summarizes the applicable maintenance obligations contained in the Permits and Approvals for the foregoing matters described in clauses (i), (ii), and (iii) of the preceding sentence.

B. Owning, conveying, mortgaging, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by them as a result of enforcement of the lien for Common Expenses, action taken under, Section 17 and 18 of Chapter 183A, or otherwise.

C. Conducting mediation, arbitration and/or litigation on behalf of the Unit Owners and being subject to suit as to any course of action involving the Common Areas and Facilities or arising out of the enforcement of these Bylaws, any and all Rules and Regulations promulgated hereunder, restrictions in the Master Deed or any deed conveying a Unit. EXCEPT AS OTHERWISE PROVIDED HEREIN, NO LITIGATION SHALL BE COMMENCED EITHER BY THE TRUSTEE(S) AGAINST UNIT OWNER(S) OR BY UNIT OWNER(S) AGAINST TRUSTEE(S) WITHOUT FIRST SUBMITTING THE MATTER TO MANDATORY MEDIATION AND ARBITRATION AS SET FORTH IN PARAGRAPH 5.23 BELOW. Notwithstanding any provision of Condominium Documents to the contrary, neither the Trustees acting in their capacity as such Trustees or acting as representatives of the Unit Owners, nor any class of Unit Owners, shall bring any litigation whatsoever unless a copy of

the proposed complaint in such litigation has been delivered to all of the Unit Owners, and not less than seventy-five percent (75%) of all Unit Owners consent in writing to the bringing of such litigation within sixty (60) days after a copy of such complaint has been delivered to the Unit Owners. The Unit Owners may specify as a part of the written consent a specific monetary limitation to be paid as legal fees and costs and expenses to be incurred in connection therewith, which amount shall be separately assessed as a special assessment effective forthwith at the time of said affirmative consent. Notwithstanding any provisions of the Condominium Documents, the provisions of this paragraph (i) shall not be amended except by vote of at least seventy-five percent (75%) of Unit Owners. The provisions of this paragraph shall not apply to litigation by the Condominium Trustees against Unit Owners with respect to the recovery of overdue Common Expenses, User Fees, or Special Assessments or to foreclose the lien provided by Section 6 of Chapter 183A, and General Laws Chapter 254, Sections 5 and 5A, as amended by 1987 Mass. Acts Chapter 338, 1989 Mass. Acts Chapter 341, 1992 Mass. Acts Chapter 400 and 1993 Mass. Acts Chapter 1, or to enforce any of the provisions of the Condominium Documents or of the Unit Deed against Unit Owners.

D. Determining and budgeting of the Common Expenses required for the affairs of the Condominium and this Declaration of Trust, including, without limitation, the operation and maintenance of the Property.

E. Allocating and collecting the Common Expenses for the general Common Areas and Facilities from Unit Owners.

F. Employing and dismissing such agents, managers, officers, brokers, employees, assistants and counsel as the Trustees deem necessary or advisable in connection with the performance of their duties hereunder, including the engagement of a condominium managing agent.

G. Opening and utilizing bank accounts on behalf of the Trust and designating the signatories required therefor.

H. Obtaining of insurance required by the Condominium Documents and adjusting and settling insurance claims as provided herein.

I. Making repairs and restorations to the general Common Areas and Facilities and certain portions of the Limited Common Areas (as that term is defined in Section 5.4 of the Master Deed), or parts thereof, which may be damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings, as provided herein.

J. Adopting and amending Rules and Regulations, which shall cover the details of the operation and use of the Common Areas and Facilities, the administration of the Condominium as contemplated by the Master Deed and this Declaration of Trust, and in interpretation thereof.

K. Obtaining advice of counsel, architects, engineers, and other professionals, and relying thereon.

L. Granting of permits, licenses and easements and/or leases in, on, over, under, through and/or to the Common Areas and Facilities for all utilities and systems and/or all other purposes reasonably necessary and/or useful for and/or to the proper maintenance and/or operation of the Condominium and/or the convenience of the Unit Owners, and modifying the terms and provisions of any easements, permits and/or licenses pertaining to the Common Areas and Facilities and/or the Condominium, all subject to the terms of the Permits and Approvals.

M. Altering the layout, location, nature and/or use of any of the Common Areas and Facilities, making installations or changes therein, and moving and removing the same, subject, however, to a Unit Owner's rights to use any appurtenance to his/her/its Unit as specified in the Master Deed, and the terms of any Permits and Approvals. Any such alteration which purports to modify, abridge, delete or otherwise affect any obligation, condition or restriction imposed by the Town of Wenham or any other permitting authorities that are parties to the Permits and Approvals shall not be of any force or effect absent the prior written approval of such amendment by the relevant permitting authority.

N. Enforcing obligations of the Unit Owners, including the levying of general and special assessments for Common Expenses and the providing of adequate remedies for failure to pay such assessments, levying reasonable fines against the Unit Owners for violations by the Unit Owners, or persons or parties for whom a Unit Owner is responsible, of the terms and provisions of the Condominium Documents, and in the case of persistent violations of the terms and provisions of the Condominium Documents, by a Unit Owner, or persons or parties for whom a Unit Owner is responsible, requiring such Unit owner to post a bond to secure adherence thereto.

O. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, replacement, restoration, and alteration of, or additions to, the Condominium buildings or the Common Areas and Facilities; or for any other proper condominium purpose. Notwithstanding the foregoing, no lien to secure repayment of any sum borrowed may be created on any Unit (or its appurtenant Interest) without the prior written consent of such Unit Owner.

P. Providing for payment by the Trust of real estate taxes becoming due and payable after the date of recording of the Master Deed which are assessed upon all of the Land and/or improvements included within the Condominium, instead of upon individual Units and their proportionate interests in the Common Areas and Facilities, and levying an equitable assessment of said tax payments among the individual Unit Owners.

Q. Incurring such liabilities, obligations and expenses, and paying from the principal or the income of the Condominium's funds all such sums, as they shall deem necessary or proper, for the operation of the Property.

R. Leasing, managing and otherwise dealing with the Common Areas and Facilities and certain portions of the Limited Common Areas, as provided in the Master Deed and this Declaration of Trust.

S. Assessing a reasonable transfer fee to any Unit Owner in connection with the Trust's costs relating to the conveyance of a Unit.

T. Entering into and having such access to Units and Limited Common Areas and Facilities as shall be reasonably necessary to the performance and exercise of the duties, obligations, rights and powers of the Trustees hereunder.

U. Executing any and all instruments incidental or necessary to carry out any of the foregoing powers.

V. Generally, in all matters not herein otherwise specified, controlling, managing and disposing of the Trust Property and controlling and managing the Property (excluding the Units) as if the Trustees were the absolute owners thereof, and doing any and all acts, including the execution of any instruments, which by their performance thereof shall be shown to be in their judgment for the best interest of the Condominium and its Unit Owners.

5.2. Maintenance and Repair of Units: Trustee Access to Units. Except as hereinafter provided, the Unit Owners shall be responsible for the proper maintenance, replacement and repair of their respective Units (other than to the Common Areas and Facilities contained therein, if any) and the Limited Common Areas except for driveways, as defined in Section 5.4 of the Master Deed. Unit Owners shall also comply with the terms and provisions of the Schedule II attached hereto ("Unit Owner Maintenance Obligation").

Except to the extent covered by the Trust's master casualty insurance, each Unit Owner shall be responsible for any and all damage to any and all other Units and/or the Common Areas and Facilities caused by his/her/its failure to satisfy this maintenance obligation, including all administrative or other costs incurred by the Trust in connection therewith. If the Trustees shall at any time in their reasonable judgment determine that a Unit, any part thereof, or such Limited Common Areas to which a Unit has exclusive use, including, but not limited to any patio, porch, driveway or walkway, is in such need of maintenance or repair that the market value of one or more other Units is being adversely affected or the structure or systems of any building or their functionality or operations are thereby jeopardized or adversely affected, or that the condition of a Unit or any part thereof (including any Limited Common Areas to which a Unit has exclusive use), or any fixtures, furnishings, facilities or equipment therein, is hazardous to any Unit or the occupants thereof and/or adversely affects any other Unit and/or the Common Areas and Facilities (including the market value thereof), the Trustees shall in writing request the Unit Owner thereof to perform the needed maintenance, repair, replacement and/or work and/or to correct the relevant condition and/or its cause. If action thereon shall not have been commenced within such time as may be reasonably set by the Trustees and thereafter diligently brought to completion, the Trustees shall be entitled to have such performed for the account of such Unit Owner whose Unit and/or Limited Common Areas to which he/she/it has a right of exclusive use is in need thereof and to enter upon and have access to such Unit and/or such Limited Common Areas for these purposes. In the case of an imminent emergency that is or may cause harm to persons or property which necessitates immediate action and the Unit Owner is unavailable or fails to take immediate action, the Trustees may proceed

thereto without delay. The costs incurred by the Trustees shall be the amount reasonably necessary and constitute an obligation of the applicable Unit Owner and shall be considered a Common Expense attributable to such Unit. The Trustees may in their discretion additionally impose a fine upon a Unit Owner who, in the Trustees' judgment, unreasonably fails to comply with a request made by the Trustees hereunder.

Should it be necessary that any part of a Unit, personal property of a Unit Owner, and/or any part of the Common Areas and Facilities to which a Unit Owner has the right of exclusive use, be required to be removed for the purpose performing such work, or for the purpose of the Trustee performing work upon the Common Area and Facilities, such Unit Owner shall promptly comply with such request by the Trustee. Should such Unit Owner fail to so comply, or in the case of emergency, the Trustee may remove and store such part and/or property for the account of the Unit Owner, the cost of which, including, but not limited to, attorney's fees, fines and expenses shall constitute an obligation of the applicable Unit Owner and shall be considered a Common Expense attributable to such Unit. Such removal and storage shall be reasonable in manner, extent and terms.

Each Unit Owner, subject to the reasonable approval of the Trustee, shall be responsible for arranging for the maintenance, repair and replacement of the Limited Common Areas, including but not limited to the decks, balconies, door bells, storage areas, and exterior portions of the Units such as windows and doors, but, as to the latter only as to appearance. Each Unit Owner shall keep the Limited Common Area in a state of cleanliness. Notwithstanding the foregoing, the Trustee shall be responsible for driveway repair and maintenance, including snow removal, and the exterior repair and maintenance of the Farmhouse Building Garage (as defined in the Master Deed).

5.3. Maintenance, Replacement and Repair of Common Areas and Facilities.

A. Maintenance, Replacement and Repair of Common Areas and Facilities. Subject to the provisions of Article IX below, all maintenance, repairs and replacements to the Common Areas and Facilities, whether structural or non-structural, ordinary or extraordinary, and including without limitation all maintenance, inspection and repair obligations under the Permits and Approvals or described in applicable schedules and exhibits attached hereto or the Master Deed, shall be the obligation of and be performed by the Trustees and the costs and expenses thereof shall constitute a Common Expense to be allocated and assessed among the Unit Owners in the manner described in Section 5.5 herein. In addition, to the extent that the maintenance or repair of any portion of the Condominium is necessitated by the negligence, misuse or neglect of a Unit Owner (or its tenants, subtenants, occupants, customers, invitees or pets), such costs and expenses shall be assessed directly to such Unit Owner. Payment vouchers for all such work shall be approved by the Trustees or the condominium managing agent to whom such authority is delegated by the Trustees.

B. Limited Common Areas and Facilities. The Trustees shall, in order to preserve and maintain the appearance, integrity and value of the Condominium, be responsible for maintenance, repair and replacement of the Limited Common Areas and the exterior portions of the Units such as windows and doors. The costs associated with repairs to Limited Common Areas shall be charged (as part of the Common Expenses) to the Unit Owners in accordance with the provisions of Section 7 of the Master

Deed. The foregoing obligations of the Trust shall not be construed to apply to the keeping of such Limited Common Areas in a state of cleanliness, which shall remain the responsibility of the Unit Owner.

The cost of replacement, maintenance and repair shall be assessed to the Unit Owners as Common Expenses of the Condominium at such times and in such amounts as provided in Section 5.5; provided, however, that such cleaning, replacement, maintenance and/or repair as may be necessitated by the negligence, misuse or neglect of a Unit Owner, his family, servants, agents, employees, invitees, tenants, licensees, pets or others upon the Property at the Unit Owner's behest, whether directly or by virtue of a Unit Owner's failure to properly maintain, repair or replace the Unit, the components thereof, or the Limited Common Areas to which such Unit Owner has exclusive use, including all charges, fines, attorney's fees, costs and expenses, shall be charged to such Unit Owner, constitute an obligation of such Unit Owner and be considered a Common Expense attributable to such Unit, except to the extent such as are covered by the Condominium Trust's master casualty policy.

5.4. Right of Access. The Trustees, and any of them, any manager or managing agent, and any other person authorized by the Trustees or by any manager or the managing agent, shall have a right of access to each Unit at reasonable times and upon reasonable notice, except in emergencies (where no notice is necessary), for the purpose of making inspections or for the purpose of correcting any conditions originating in any Unit or threatening another Unit or Common Areas and Facilities or adversely affecting the Common Expenses, or for the purpose of obtaining access to, and performing installations, alterations or repairs on the mechanical or electrical services or other Common Areas and Facilities in any Unit or elsewhere in the Buildings and/or the Land, or for any other purpose permitted by this Declaration of Trust or the By-Laws and Rules and Regulations. In case of an emergency, such right of entry shall be immediate, by any appropriate means, whether the Unit Owner is present at the time or not.

5.5. Common Expenses, Profits and Funds. Except as otherwise provided in the Master Deed or this Declaration of Trust with respect to certain Limited Common Areas, the Unit Owners shall be liable for Common Expenses in proportion to their respective percentages of the Undivided Interest in the Common Areas and Facilities, as the same are defined in the Master Deed.

A. Reserve Funds. The Trustees shall establish and maintain as hereinafter provided, the following separate and segregated funds to be used for the purposes hereinafter specified. The Trustees shall set aside from the regular monthly payments of Common Expenses an amount to be adequate and appropriate to provide a reserve for the periodic repair and/or replacement of the Common Areas and Facilities of the Condominium and other capital improvement purposes; *provided, however*, that the reserves established from time to time may, to the extent consistent with these purposes, be used for the reduction of indebtedness or other lawful, capital purposes, or subject to the provisions of these Bylaws and the provisions of Chapter 183A, Section 17 and/or 18, for the repair, replacement, rebuilding, restoration or improvement of the Common Areas and Facilities. Such reserves shall be maintained in separate and segregated accounts and the funds so set aside shall not be deemed common profits available for distribution; but, rather, shall be considered as property of the Trust held for the account of the Unit Owners in accordance with their respective Undivided Interests.

B. Determination of Common Expenses. Prior to the annual meeting, the Trustees shall prepare a budget for the Condominium by establishing the Common Expenses expected to be incurred during the ensuing fiscal year together with a reasonable provision for contingencies and reserves as referred to above, and after taking into account any undistributed common profits from prior years (reserves excepted), shall determine the assessment to be made for such fiscal year (herein referred to as "Common Expenses"). The Common Expenses shall include, but in no way be limited to, all such amounts as the Trustees may deem proper for the operation and maintenance of the Condominium, including, without limitation, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained pursuant to the provisions of this Declaration of Trust, an amount for a replacement reserve, an amount for a working capital reserve, and an amount to make up for any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Trustees, on behalf of all Unit Owners, and pursuant to the terms of this Declaration of Trust, of any Unit which is to be sold at foreclosure or other judicial sale, or otherwise.

To the extent the Trustees can reasonably ascertain the proportion of any Common Expenses that are attributable to the particular usage by or requirements of a given Unit, the Trustees may allocate and assess such proportion of the Common Expenses directly to such Unit as a Common Expense. Any costs for fixtures that are Common Areas and Facilities shall be borne equally by all Unit Owners entitled to use such fixtures in accordance with their respective Undivided Interests. The Trustees shall promptly render statements to the Unit Owners for their respective shares of such assessment, according to their Undivided Interests in the Condominium, and the amount shown on such statement shall, unless otherwise provided therein, be due and payable within thirty (30) days after the same is rendered.

In the event an annual assessment is not made as above required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event that the Trustees shall determine at any time during any fiscal year that the assessment so made is less than the Common Expenses actually incurred, or in the reasonable opinion of the Trustees, likely to be incurred as a result of (i) extraordinary items of expenses; or (ii) the failure or refusal of other Unit Owners in the Condominium to pay their share of the Common Expenses; or (iii) other reasons determined by the Trustees which are not inconsistent with the terms of the Condominium Documents or Chapter 183A; or (iv) in the event that the Trustees shall determine that it is advisable to establish a larger reserve or other fund for projected capital improvements or other expenditures or otherwise, the Trustees may make one or more supplemental assessments ("Special Assessments") and render such statements as they may deem necessary therefor in the manner aforesaid, and the amount shown in such statement shall be payable and take effect as aforesaid. Unit Owners shall receive at least thirty (30) days' notice of any such Special Assessments.

C. Payment and Collection of Common Expenses. The Trustees shall so far as reasonably possible, provide for payment of the annual assessment of Common Expenses in advance in monthly, substantially equal, installments, which shall be due upon the first day of each month, or such other periodic payment as the Trustees may determine. The amount of each such statement, together with late charges as may be reasonably imposed by the Trustees, reasonable attorneys' fees and interest on the assessment at the greater of \$25 or the rate of one and one-half percent (1.5%) per month (or such other rate as permitted by Law), if that amount is not paid when due, shall constitute a lien on the Unit of the

Unit Owner assessed and the personal obligation of the Unit Owner, all pursuant to provisions of Section 6 of Chapter 183A. The Trustees shall take prompt action to collect any Common Expenses due from any Unit Owner which remains unpaid. To the extent a Unit Owner may be persistently delinquent in the timely payment of Common Expenses due, as the Trustees in their sole discretion may determine, the Trustees may require such Unit Owner to pay the Common Expenses due in one annual lump sum as opposed to periodically, as herein provided for.

D. Payment of Common Expenses Subsequent to Transfer. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his/her/its Unit subsequent to a sale, transfer or other conveyance by him/her/it of such Unit. A purchaser of a Unit shall not be personally liable for the payment of Common Expenses assessed and unpaid against such Unit prior to the acquisition by him/her/it of such Unit unless such purchaser has agreed to assume such obligation. This provision shall not, however, affect the statutory lien on such Unit for such unpaid Common Expenses. Except as provided in Section 6 of Chapter 183A, a purchaser of a Unit at a foreclosure sale of such Unit by a holder of a first position mortgage (herein "First Mortgage"), or any holder of First Mortgage (herein "First Mortgagee") who comes into possession of the Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take the Unit free of any claims and/or liens for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit.

E. Default in Payment of Common Expenses. In the event of default by any Unit Owner in paying to the Trustees the Common Expenses attributable to his/her/its Unit, such Unit Owner shall be obligated to pay all out-of-pocket expenses, including attorneys' fees, incurred by the Trustees to collect such unpaid Common Expenses, irrespective of the amount so unpaid. In furtherance hereof, a defaulting Unit Owner hereby waives any argument upon such a proceeding that the expenses thereof, including attorney fees, are unreasonable and/or excessive when considered in the light of the amount so unpaid. A Unit Owner shall, upon any action brought by the Trustees to collect unpaid Common Expenses, have no right to make any claims or defense of offset upon any basis.

If a Unit with respect to which Common Expenses are in arrears, is leased, rented or let, and upon compliance by the Trustees with the applicable provisions of Section 6 of Chapter 183A, the Trustees shall be entitled to require the lessee or tenant to pay the rent due therefor directly to the Trustees until such time as the arrearage, late fees, interest, costs, and expenses are fully paid and, upon a failure thereof, the Trustees shall be entitled to an order of a court of competent jurisdiction so requiring. This right shall be in addition to any other remedy herein or by law provided.

After a successful action brought by the Trustees to foreclose a lien on a Unit because of unpaid Common Expenses, a Unit Owner remaining in his/her/its Unit for any period of time thereafter shall be required to pay a reasonable fee for the use and occupancy of his/her/its Unit.

The Trustees acting on behalf of all Unit Owners, shall have the power to purchase a Unit at the lien foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant thereto), convey or otherwise deal with the same.

A suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same, and may be brought simultaneously with an action to so establish and foreclose upon said lien.

F. Application of Common Funds. The Trustees shall expend common funds ("Common Funds") only for Common Expenses and other purposes permitted hereby and by the provisions of Chapter 183A.

G. Notice of Default in Payment of Common Expenses. Pursuant to the applicable provisions Section 6 of Chapter 183A, and/or upon the written request of any First Mortgagee, the Trustees shall notify such holder of any default by a Unit Owner in the payment of his/her/its share of the Common Expenses.

H. 6(d) Certificates. Upon request of a Unit Owner or his/her/its designee or a First Mortgagee, the Trustees shall, within ten (10) days after receipt of a written request therefor, provide a certificate in conformity with Section 6(d) of Chapter 183A, specifying the amount, if any, of any unpaid Common Expenses assessed to the Unit Owner and/or attributable to the Unit.

5.6. Insurance. The Trustees and the Unit Owners shall obtain and maintain the following insurance policies:

A. Casualty Insurance. The Trustees shall obtain and maintain, to the extent reasonably obtainable and permitted by applicable law, so-called master policies of insurance providing fire with-extended coverage and so-called all risk coverage insurance, insuring the Condominium, including, without limitation, the Common Areas and Facilities with all fixtures, additions, alterations and improvements thereof, all heating and cooling equipment and other service machinery, apparatus, equipment and installations, if there be any that are comprised in the Common Areas and Facilities, and also all such portions normally deemed to constitute part of the building and customarily covered by such insurance, but not including any furniture, furnishings, carpeting, wall coverings, light fixtures, appliances, or household and personal property belonging to and owned by individual Unit Owners or tenants of Unit Owners, in an amount equal to, and not less than, one hundred percent (100%) of the full replacement value thereof, exclusive of foundations, land and other items normally excluded therefrom without deduction for depreciation, but subject to a reasonable deductible as the Trustees may determine. In determining full replacement value, the Trustees may reasonably rely upon the advice of the insurer or their agent. The name of the insured under such policy shall be stated in form, substance and effect similar to the following: "*Trustees of Wenham Pines Condominium Trust for use and benefit of the Unit Owners of Wenham Pines Condominium and their mortgagees as their interests may appear.*" Such insurance shall contain the standard mortgagee clause and shall name the Trustees as insurance Trustees for the use and benefit of all Unit Owners of Wenham Pines Condominium and their mortgagees as their interest may appear, with losses payable to and adjusted by the Trustees as insurance Trustees in accordance with the provisions of this Declaration of Trust. The Trustees may insure against such other hazards or risks of casualty as the Trustees from time to time in their discretion shall determine to be appropriate, including, but not limited to, vandalism, malicious mischief, windstorm and water damage, earthquake, terrorism, flood and machinery explosion or damage.

B. Liability Insurance. The Trustees shall obtain and maintain, to the extent obtainable and/or applicable, master policies of insurance with respect to the Common Areas and Facilities for the benefit and protection of the Trust and all Unit Owners for: (i) commercial general liability insurance in such limits as the Trustees may, from time to time, determine based on insurance amounts typically provided to condominiums in a similar location and of a similar size with other provisions commonly referred to as a "Special Condominium Endorsement" or its equivalent; (ii) worker's compensation and employee's liability insurance; and (iii) such other liability insurance as the Trustees may from time to time deem appropriate and desirable.

C. Fidelity Coverage. The Trustees may obtain fidelity coverage against dishonest acts on the part of the Trustees, the condominium managing agent and employees or volunteers responsible for handling funds belonging to the Trust or administered by the Trustees.

D. Directors and Officers Liability Insurance. The Trustees may obtain Directors and Officers Liability Insurance in such amounts and upon such terms as they deem appropriate.

E. FHLMC and FNMA Insurance Requirements. If the Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Association ("FNMA") holds any interest in one or more mortgages on Units of which the Trustees have received notice, the Trustees shall obtain and maintain to the extent reasonably obtainable, such other insurance as may be required from time to time by whichever of FHLMC or FNMA holds any interest in one or more mortgages on Units. All such policies shall be in such amounts and contain such terms as may be required from time to time by whichever of FHLMC or FNMA holds such interest.

F. Unit Owner Insurance. Unit Owners may, and it is suggested that they should, carry insurance for their own benefit insuring their furniture, furnishings and other personal property located within their respective Units or its appurtenances, and for such as is not covered by the Condominium master policies, particularly any deductible; provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Trustees shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Unit Owners shall in all events maintain liability insurance covering damage to the Condominium in such reasonable amounts as the Trustees may determine and, upon request, provide evidence thereof to the Trustees.

G. Terms and Conditions of Policies. Policies for casualty insurance, and to the extent applicable, such other policies of insurance, shall provide: (i) that the insurance company waives any right of subrogation against the Trustees, their agents and employees, and the Unit Owners, their respective employees, agents, tenants and guests to the extent they are not specifically obligated hereunder; (ii) that the insurance shall not be prejudiced by any act or neglect of any Unit Owners or occupants or any other person or firm (including employees and agents of the Trustees) when such act or neglect is not within the control of the Trustees (or Unit Owners collectively) or by failure of the Trustees (or Unit Owners collectively) to comply with any warranty or condition with regard to any portion of the premises over which the Trustees (or Unit Owners collectively) have no control; (iii) that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all Unit Owners and First Mortgagees; (iv) that recovery thereunder shall not be

affected on account of the availability of proceeds under any policies obtained by individual Unit Owners covering their Units; and (v) if obtainable, that the company shall waive any right it may have under the policy to repair or restore damage should the Unit Owners elect to terminate the Condominium because of such damage.

Such insurance policies may provide for a reasonable deductible from the coverage thereof as determined by the Trustees in their reasonable discretion. In the event of any loss which relates in part to insurable portions of a Unit, or Units, and/or in part to the Common Areas and Facilities, the Trustees shall apportion the deductible amount directly proportional to the amount of such loss related to such Unit, or Units, and/or the amount of the loss related to the Common Areas and Facilities. Where such loss is solely to a Unit, the deductible amount shall be borne solely by the Unit Owner thereof. Where such loss is solely to the Common Areas and Facilities, such loss shall be borne from the common funds.

H. Insurance Appraisal. The Trustees may obtain an appraisal of the full replacement value of the property to be insured in accordance with the foregoing provisions of this Section, without deduction for depreciation, for the purpose of determining the amount of insurance to be maintained pursuant to this Section. If the Trustees in their discretion deem it necessary, they shall upon notification of improvements to be made to a Unit by a Unit Owner, increase the insurance coverage afforded by said master policy.

I. Trustees as Insurance Trustees. The Trustees shall (i) have exclusive authority to negotiate all losses as herein provided for, (ii) collect and receive all loss insurance proceeds, and (iii) hold, use, apply and disburse the same in accordance with the applicable provisions of this Declaration of Trust for the benefit of the Unit Owners and their respective mortgagees. The Trustees may name an authorized representative to enter into the insurance trust agreement who shall have exclusive authority to negotiate losses under any policy providing such coverage to such damage (the "Insurance Trustee").

J. Notification of Mortgagees. The Trustees, on behalf of the organization of Unit Owners, when requested by First Mortgagees, shall give written notice to such mortgagees of such loss to the Common Areas and Facilities, or to the Unit mortgaged, as the First Mortgagee requests.

K. Certificates of Insurance. Certificates of insurance with proper mortgagee endorsements, when requested, shall be issued to Unit Owners or their designees. The Trustees may charge a reasonable administrative fee for issuing such certificates.

L. Notification to Trustees of Improvements. Each Unit Owner shall notify the Trustees in writing of all improvements to his/her/its Unit (except personal property other than fixtures) which exceed a total value of Ten Thousand Dollars (\$10,000.00) within twenty (20) days after the commencement of construction or installation of such improvement, and upon receipt of such notice, the Trustees shall notify the insurer under any casualty policy obtained pursuant to this Section of such improvements and shall, if necessary, purchase additional casualty insurance in such amounts as may be required under this Section. Any premium increase caused by insuring such improvements may be assessed to the Owner of the improved Unit as a Common Expense attributable to such Unit. No Unit Owner shall be entitled to receive insurance proceeds for repair, replacement or restoration of any such improvement not so reported to the Trustees, unless otherwise consented to by the Trustees.

5.7. Rebuilding, Restoration and Condemnation. The following provisions shall apply in the case of casualty loss or condemnation:

A. Casualty Loss. In the event of damage to or destruction of the Condominium as a result of fire or any other casualty, the Trustees shall proceed as follows:

(i) Casualty Loss to Units. Where such damage or destruction is solely to a Unit, or Units, the Insurance Trustee designated herein shall promptly adjust and collect the loss and disburse the master policy insurance proceeds in appropriate progress payments with appropriate retainage to the Unit Owner(s) affected so as to facilitate and ensure the repair and restoration of the Unit or Units so damaged or destroyed. The affected Unit Owner(s) shall bear any cost or expense for such repair and restoration in excess of the available insurance proceeds under the master policy, including any excess resulting from the application of any deductible thereon. Where more than one Unit is so damaged or destroyed, said proceeds and deductible shall be apportioned based upon the basis of the relative damage to each Unit; provided, however, that if such damage or destruction is caused by Chapter 183As or omissions of a Unit Owner, his/her/its family servants, agents, employees, invitees, licensees or lessees, any deficiency in the insurance proceeds shall be borne solely by such Unit Owner. Similarly, should there be any deficiency in the insurance proceeds resulting from a Unit Owner's failure to promptly and accurately report any improvements to his/her/its Unit, such deficiency shall be borne by such Unit Owner.

(ii) Casualty Loss to Units and Common Areas and Facilities or Common Areas and Facilities Only. Where such damage or destruction is solely to the Common Areas and Facilities, or to both the Common Areas and Facilities and Units, the Trustees, in their reasonable discretion, shall forthwith determine whether or not the loss exceeds ten percent (10%) of the value of the Condominium immediately prior to the casualty and thereupon shall notify all Unit Owners of such determination. In furtherance thereof the Trustees may employ such persons, firms or entities as are, in their judgment appropriate to assist in such determination.

a) Loss Less Than Ten Percent. If the loss as so determined is less than, or equals, ten percent (10%) of the value of the Condominium immediately prior to the loss, the Trustees shall proceed as provided in Section 5.9.A.i above, provided that the Common Areas and Facilities shall be repaired and restored by the Trustees and any deficiency thereto relating shall be a Common Expense payable from common funds or by Special Assessment.

b) Loss in Excess of Ten Percent. If the loss to the Common Areas and Facilities as so determined exceeds ten percent (10%) of the value of the Condominium immediately prior to the loss, the Trustees shall seek the agreement of Unit Owners holding at least seventy-five percent (75%) of the Undivided Interest in the Condominium by submitting to the Unit Owners a form of agreement (the "Restoration Agreement") whereby the Unit Owners authorize the Trustees to proceed with the necessary repair and restoration, together with a copy of the provisions of Section 17 of Chapter 183A.

(1) If such percentage of Unit Owners agree (by executing the Restoration Agreement) to proceed to the necessary repair or restoration, then the Trustees shall proceed thereto as provided in subparagraphs i and ii.a above; provided that the cost of such repair and restoration in excess of available insurance proceeds shall be a Common Expense payable from common funds or by special assessment, if necessary; and further provided, however, that any Unit Owners who did not so agree may apply to the Superior Court of the county in which the Condominium is located on such notice to the Trustees as the Court shall direct, for an order directing the purchase of their Unit by the Trustees at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a Common Expense.

(2) If such percentage of Unit Owners do not, within one hundred twenty (120) days after the date of the casualty, agree to proceed with repair or restoration (by executing the Restoration Agreement and returning it to the Trustees), a Unit Owner's proportionate share of the insurance proceeds with respect to the Common Areas and Facilities, together with the portion of the insurance proceeds allocated to any Unit as a result of a loss to such Unit due to the casualty shall, to the extent permitted by law, be paid first to the First Mortgagee, if any, up to, but not in excess of, the then principal balance secured thereby and any accrued interest and other charges then due to such First Mortgagee, and thereafter to the Unit Owner; if First Mortgagees, of which the Trustees have received notice, holding mortgaged on Units having at least fifty-one percent (51%) of the Undivided Interests approve a suit for partition then the Condominium shall be subject to partition at the suit of any Unit Owner. Such suit shall be subject to dismissal at any time prior to entry of an order to sell if an appropriate agreement to rebuild is filed. The net proceeds of the partition sale together with any common funds shall be divided among the Unit Owners, in proportion to their Undivided Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of its share of such funds, such amounts as may be necessary to discharge or reduce amounts owed for Common Expenses or to any First Mortgagee holding a mortgage on such Unit. Upon such sale, the Condominium shall be deemed removed from the provisions of Chapter 183A.

The Trustees shall perform emergency work essential to the preservation and safety of the Property or the safety of persons, or required to avoid the suspension of any essential service to the Condominium, including, but not limited to sewage disposal, without having first adjusted the loss or obtained proceeds of insurance or otherwise having complied herewith.

If there shall have been a repair or restoration pursuant to the foregoing and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds, if any, shall be, at the option of the Trustees, divided among the Unit Owners in proportion to their respective Undivided Interest; provided, however, that no provision herein shall be deemed to give a Unit Owner or any other party priority over any rights of the holder of a First Mortgage

(if any) on such Unit Owner's Unit pursuant to such mortgage in the case of a distribution to such Unit Owner of insurance proceeds for losses to Units and/or Common Areas and Facilities. First Mortgagees of Units will be entitled to priority with respect to any insurance proceeds distributed to their mortgagors.

Notwithstanding anything to the contrary contained in this Section 5.7.A, in the event that any Unit Owner shall dissent from any determination of the Trustees with respect to the value of the Condominium or any other determination or action of the Trustees under this Section 5.7.A by notice in writing to the Trustees within ten (10) days after such determination or action then either the Trustees or the dissenting Unit Owner may submit the matter to arbitration to be conducted in accordance with the rules and procedures of the American Arbitration Association. The cost of such arbitration shall be borne equally by the parties.

Notwithstanding anything to the contrary contained in the preceding paragraphs of this subsection, the Trustees shall not, in any event, be obliged to proceed with any repair or restoration, unless and until they have received funds in an amount equal to the estimate of the Trustees of all costs thereof.

The foregoing provisions are intended to comply with Section 17 of Chapter 183A and to be, in addition, consonant with the requirements of FHLMC and FNMA. To the extent there is a conflict between the provisions hereof and Chapter 183A, then Chapter 183A shall control.

B. Eminent Domain. If more than ten percent (10%) of the Condominium is taken under any power of eminent domain, the taking shall be treated as a "casualty loss", and the provisions of Section 17 of Chapter 183A shall apply. Where one or more Units have been substantially altered or rendered uninhabitable as a result of a partial taking, and the Unit Owners vote to restore and continue the Condominium pursuant to the provisions of Section 17 of Chapter 183A, the Trustees shall have the authority to acquire the remaining portions of such Units, for such price as the Trustees shall determine, provided that any Unit Owner of such remaining portion who does not agree with such determination may apply to the Essex Superior Court for an order directing the purchase of such remaining portion at the fair market value thereof as approved by the Court. Where as a result of a partial taking any Unit is decreased in size, or where the number of Units is decreased by a partial taking, then the Trustees may make such provision for realignment of the undivided interests in the Common Areas and Facilities as shall be just and equitable, and shall record an amendment to the Master Deed reflecting the same.

In the event of a total or partial taking under the powers of eminent domain, the Unit Owners shall be represented by the Condominium acting through the Trustees. In the event of a partial taking the award shall be allocated among the affected Units according to their appurtenant Undivided Interest, and paid first to the extent permitted by law to the First Mortgagee of such Unit(s), if any, up to, but not in excess of the then principal balance secured thereby and any accrued interest and other charges then due the First Mortgagee. In the case of a total taking of all Units and the Common Areas and Facilities, the entire award shall be payable to the Trustees, to be allocated among the Units according to their appurtenant Undivided Interest, and paid first to the extent permitted by law to the First Mortgagee of such Unit(s), if any, up to, but not in excess of, the then principal balance secured thereby and any accrued interest and other charges then due the First Mortgagee. As to any portion or portions of any

award which are attributable to direct or consequential damages suffered by particular Units, they shall be payable to the Unit Owners of such Units and their mortgagees as their interests may appear.

5.8. Improvements to the Units and Common Areas and Facilities. If fifty percent (50%) or more but less than seventy-five percent (75%) of the Unit Owners agree to make an improvement to the general Common Areas and Facilities, the cost of such improvement shall be borne solely by the Unit Owners so agreeing. Seventy-five percent (75%) or more of the Unit Owners may agree to make an improvement to the general Common Areas and Facilities and assess the cost thereof to all Unit Owners as a Common Expense, but if such improvement shall cost in excess of ten percent (10%) of the then-current value of the Condominium, including the building and the Common Areas and Facilities and the units, any Unit Owner not so agreeing may apply to the Essex Superior Court on such notice to the Trustees and Unit Owners, as the Court shall direct, for an order directing the purchase of his or her Unit by the Trustees at fair market value thereof, as approved by the Court. The cost of any such purchase shall be a Common Expense.

5.9. Rules Regulations Restrictions and Requirements. The use of the Condominium and each Unit Owner's Unit shall be restricted to and shall be in accordance with the provisions of the Condominium Documents and Legal Requirements.

The Trustees shall have the right (which right shall not be delegated) at any time and from time to time to adopt, amend and rescind the rules and regulations governing the operation, appearance and use of the Common Areas and Facilities including, without limitation, Limited Common Areas, the exclusive use of which is for one or more Units, and otherwise providing for the administration of the Condominium as contemplated by the Master Deed and this Declaration of Trust, and in interpretation thereof (the "Rules and Regulations"); provided, however, that any such Rules and Regulations shall not be promulgated and/or amended which will materially and adversely affect the interests of any First Mortgagee. Any such Rules and Regulations shall be consistent with provisions of the Master Deed, this Declaration of Trust and Chapter 183A. Copies of such Rules and Regulations and any amendments or changes thereto shall be furnished by the Trustees to each Unit Owner. Unless otherwise set forth in the Master Deed or this Declaration of Trust, any Rule or Regulation may be modified, amended or revoked upon the vote of Unit Owners holding at least seventy-five percent (75%) of the Undivided Interest at a meeting duly held therefor.

The Condominium Documents, as from time to time amended, shall be enforced by the Trustees. The Trustees may eliminate any violation and the cost and expense of eliminating such shall be chargeable to the Unit Owner who himself/herself/itself or whose family, servants, employees, agents, visitors, lessees, tenants, licensees, or pets are responsible for such violation, and fails to cure such violation promptly after written notice thereof. Except as otherwise provided in the immediately preceding sentence, the cost of eliminating a violation shall be a Common Expense. The Trustees may also levy reasonable fines against the Unit Owner for such violations if any such violation is not cured within three (3) days after notice thereof, and such fine shall constitute a portion of such Unit Owner's Common Expenses which shall be payable by the Unit Owner of such Unit upon demand. For each day a violation continues after notice it shall be considered a separate violation. In the case of persistent violation, the Trustees shall have the power, after notice and hearing, to require the Unit Owner to post a bond, or other security as they may determine, to provide for adherence.

In enforcing the Condominium Documents as to leased Units, the Trustees may proceed against the Unit Owner, the tenant, or both as the Trustees in their sole discretion may determine. A failure of a tenant to pay a fine upon demand shall constitute grounds for the Trustees to obtain the removal of such tenant from the Condominium as provided in Section 5.19, below.

5.10. Pets. Subject to the applicable restrictions contained in the Master Deed, upon written Trustee approval, Unit Owners may keep in the Units customary household pet(s) subject to the following conditions and such other reasonable conditions as the Trustee(s) may by rule and regulation impose:

- A. Such pet(s) shall not interfere with the quiet enjoyment of the Condominium by its residents;
- B. Any permitted pet shall not be allowed upon the Common Areas and Facilities, or open space areas surrounding the Common Areas and Facilities, unless restrained by a leash, transport box or cage; and in no event upon the land portion of the Property save for transit there across, except for areas designated therefor; and
- C. Each Unit Owner keeping such a pet who violates any of the above conditions or permits any damage to or soiling of any of the Common Areas and Facilities or permits any nuisance or unreasonable disturbance or noise shall:
 - i. be assessed by the Trustees for the cost of the repair of such damage or cleaning or elimination of such nuisance and/or
 - ii. be levied such fine as the Trustees may reasonably determine and such legal fees and costs as the Trustees may incur; and/or
 - iii. be required by the Trustees to permanently remove such pet from the Condominium upon five (5) days' written notice from the Trustees.

5.11. Unit Owner Responsibility. Except as may be otherwise specifically provided herein, a Unit Owner shall be fully responsible for Chapter 183A and omissions, feaseance, malfeaseance and misfeaseance, and all other conduct of his/her/its family members, servants, agents, employees, invitees, customers, lessees, tenants, licensees, guests, pets or others upon the Property at the behest of the Unit Owner, and shall indemnify and hold the Trustee harmless from such acts, omissions and conduct, and the consequences thereof.

5.12. Enforcement of Charges, Fines, Obligations. Any charge, fine, or other financial obligation to, of or on any Unit Owner, and/or Unit herein provided for shall constitute a lien upon such Unit and be enforceable to the same manner and extent as for Common Expenses provided for in this Declaration and Section 6 of Chapter 183A.

5.13. Attorneys Fees and Costs. If it is necessary for the Trustees to engage the services of an attorney, or attorneys, for the purpose of enforcing against a Unit Owner, tenant, occupant, or other person bound thereby, any provision of the Condominium Documents or obligations thereunder, and/or for the purpose of defending any action brought by such person(s), and the Trustees should prevail thereon, said

Unit Owner, tenant, occupant or other such person shall be liable for, in addition to any other liability, the fees and costs of such attorneys in so proceeding thereto, including the fees of all experts engaged in connection therewith. As to Unit Owners, the amount of such fees and costs shall constitute a lien upon the Unit, enforceable to the same manner and extent as a lien for Common Expenses, and the Unit Owner shall be personally liable therefor.

5.14. Inspection of Books. The books, accounts and records of the Trustees and of the organization of Unit Owners shall be open to inspection to any one or more of the Trustees, to the Unit Owners and to First Mortgagees. The Trustees may, however, subject to and in accordance with the applicable provisions of Chapter 183A, adopt reasonable rules and impose reasonable restrictions upon such access, including, but not limited to hours and place of availability, fees for reproduction, access only for Condominium-related purposes, and provision for the maintenance of confidentiality as to appropriate records.

5.15. Financial Reports to Unit Owners. Within one hundred and twenty (120) days after the end of the fiscal year, the Trustees shall cause to be provided to the Unit Owners a financial statement which shall include a balance sheet, income and expense statement and statement of funds. At the request of the Owners of any four (4) Units, such financial statement shall be audited by a certified public accountant of such Unit Owners' choosing. The auditing Unit Owner(s) or First Mortgagee(s) shall pay upon demand all reasonable costs and expenses incurred by the Trust in regards thereto.

5.16. Fiscal Year. The fiscal year of the Trust shall be each calendar year ending December 31 or such other date as may from time to time be determined by the Trustees.

5.17. Checks, Notes, Drafts, and Other Instruments. Except as to reserve accounts and checks over \$2,500, all checks, notes, drafts and other instruments for the payment of money drawn or endorsed in the names of the Trustees or of the Trust may be signed by any Trustee, or by the condominium managing agent to whom such power may at any time or from time to time be delegated. Checks in excess of \$2,500 and drawn on the Trust's reserve accounts must be signed by at least two (2) Trustees.

Any instrument signed by any two (2) or more Trustees which contains or is accompanied by a certification that said Trustees are authorized to execute and deliver the same by appropriate vote of the Trustees, shall be conclusive evidence in favor of every party relying thereon or claiming thereunder.

5.18. Notices to Unit Owners. Unless otherwise required by applicable law or order of court, every notice to any Unit Owner shall be deemed sufficient and binding if a copy of such notice shall be given by one or more of the Trustees to such Unit Owner by leaving such notice, or mailing it postage prepaid and addressed to such Unit Owner, at his/her/its address at the Condominium, unless such Unit Owner has designated in writing to the Trustees some other address for the receipt of notices. Such notice shall be given within such time period as herein, or by such court, required, and if there be no specified period then at least seven (7) days prior to the date fixed for the happening of the matter, thing or event of which such notice is given.

5.19. Information to be Provided by Unit Owners to Trustees and Tenants. In the event, and at the time a Unit Owner should assign, lease, sell or otherwise transfer his/her/its interest in his/her/its

Unit, such Unit Owner shall notify the Trustees of the name and address of the person to whom he/she/it is so transferring the Unit, whereupon the Trustees shall provide such person with copies of the Condominium Documents, as they may then be amended, respectively.

No Unit may be leased, rented or let unless upon a written agreement therefore in a form and content acceptable to the Trustees (which may be a standardized form generated by the Trustees for such purposes) and for a term of no less than twelve (12) months; and provided further that (1) a copy of said agreement is provided to the Trustees prior to the occupancy thereunder; (2) said agreement contains a clause whereby the occupants agree to be bound by the Condominium Documents promulgated pursuant thereto which the Trustees shall provide to the occupants upon such reasonable fee as they determine; (3) there is full compliance with all restrictions on occupancy provided for in the Master Deed, including without limitation the provision that at least one resident/tenant of each Unit must be age 55 or above and no resident/tenant may be under the age of 18; (4) it shall be deemed during the period of such occupancy that the Unit Owner has irrevocably appointed and constituted the Trustees as the Unit Owner's attorney-in-fact to seek at the Unit Owner's expense the eviction, equitable relief and/or damages of and/or from such occupants upon any breach of said agreement or a violation of this Master Deed, the By-Laws and/or the Rules and Regulations promulgated pursuant thereto provided that the Trustees first give the Unit Owner notice of said violation and reasonable period to affect a cure; (5) the letting is for the entire Unit; (6) no subletting is permitted; (7) in no event shall it be deemed that a landlord/tenant relationship exists between the Trust and the occupant.

In addition to the foregoing, the Trustees reserve the right to restrict the number of rentals at any one time to no more than two (2) of the Units, or such lower number as may be required by any so-called secondary mortgage market source. The occupation of a Unit by a member of the immediate family (mother, father, son or daughter) of the Unit Owner shall not constitute the renting, letting or leasing of the subject Unit for these purposes. Notwithstanding the foregoing, in such event as during the course of occupancy of a tenant demonstrates a disregard for the provisions of the Condominium Documents, the Trustees shall so notify the Unit Owner who shall thereupon be precluded from extending the tenancy of such occupant beyond the original lease term.

Any failure by the tenant to comply in all respects with the provisions of the Condominium Documents shall constitute a material default in the lease (occupancy agreement), and in the event of such default, the Trustees shall have the following rights and remedies against both the Unit Owner and the tenant, in addition to all other rights and remedies that the Trustees and Unit Owners (other than the owner of the affected Unit) have or may in the future have, against both the owner of the affected Unit and the tenant, all rights and remedies of the Trustees and the Unit Owners (other than the owner of the affected Unit) being deemed at all items to be cumulative and not exclusive. The Trustees shall have the right to give written notice of the default to both the tenant and the Unit Owner. If the default continues for five (5) days after the giving of said notice, then the Trustees shall have the right to levy fines against the owner of the affected Unit in accordance with the provisions of this Declaration of Trust, and terminate the tenancy by giving notice in writing to quit to the tenant in any manner permitted by law, in the name of the landlord (Unit Owner) or in the name of the Trustees, or both. In case of a tenancy at will, the time of such notice shall be sufficient if it is equal to the interval between the days of rent payment, or thirty (30) days, whichever is longer. In case of a lease, seven (7) days' notice (or such other notice as may be required by law) shall be sufficient. Thereafter, the Trustees may initiate and prosecute

a summary process action against the tenant under the provisions of Massachusetts General Laws Chapter 239 in the name of the landlord, or in the name of the Trustees, or both. The Trustees shall be entitled to levy a fine or fines, or give a notice or notices to quit followed by a summary process action or actions, and the Trustees' election to pursue any of the foregoing remedies, either at the same time or in the event of any further default. All of the expenses of the Trustees in giving notice and notices to quit, and maintaining and pursuing summary process actions and any appeals therefrom, shall be entirely at the expense of the owner of the affected Unit, and such costs and expenses may be enforced and collected against the Unit Owner and Unit as if the same were Common Expenses owed by the Unit or Unit Owner.

A true copy of the lease or occupancy agreement shall be delivered to the Trustees forthwith upon its execution. All lease and/or occupancy agreement renewals shall require the prior written consent of the Trustees, and Unit Owners shall be required to provide such information as the Trustees may reasonably request in connection therewith. The provisions of this Section shall take precedence over any other Section in the lease or occupancy agreement. Notwithstanding anything to the contrary herein, and notwithstanding any custom, law or usage to the contrary, it is expressly understood and agreed that neither the Trustees nor the Unit Owners (other than the Unit Owner of the leased Unit) shall ever bear any personal or individual responsibility with respect to said lease or occupancy agreement.

Notwithstanding anything to the contrary in this Section, it is expressly understood and agreed that the provisions of this Section 5.19 shall not apply to the Declarant, nor to any First Mortgagee in possession of a Unit following default by the Unit Owner in his/her/its mortgage, or holding title to a Unit by virtue of a mortgage foreclosure proceeding, or deed or other agreement in lieu of foreclosure.

5.20. Voting, Consents and Action Thereon. In regard to such actions and things as to which the consent or vote of the Unit Owners is required, unless a shorter period or requirement is imposed hereunder or by applicable law, the Trustees shall have a period of three (3) months in which to obtain such consent or vote. No Unit Owner may, after giving his/her/its consent or vote, rescind, modify or revoke such during said period. Should a Unit be sold during said period after the giving of such consent or vote, such consent or vote shall remain valid notwithstanding the change of ownership.

5.21. Acquisition of Units by Trustees. Acquisition of Units by the Trustees for the Trust may be made from the working capital and common funds in the hands of the Trustees, or if such funds are insufficient, the Trustees may levy an assessment against each Unit Owner in proportion to his/her/its Undivided Interest, as a Common Expense, or the Trustees, in their discretion, may borrow money to finance the acquisition of such Unit; provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with its appurtenant interests, to be so acquired by the Trustees and/or a pledge of the Common Expense.

5.22. Water, Gas, Electricity, and Other Common Charges. Water, gas and electricity shall be supplied directly to each Unit through separate meters and/or billings, and each Unit Owner shall be required to pay the bills for electricity consumed or used in his/her/its Unit. To the extent not allowed by separate metering, electricity, water, and gas serving the Common Areas and Facilities and/or Limited Common Areas, along with all costs associated with the maintenance, repair and inspection of Pine Hill Road, the Sewage Disposal Facility and Drainage System, and the carrying out of obligations related to

the Open Space Parcels, shall be included in the determination of the Common Expenses and charged to the Unit Owners in proportion to their respective Undivided Interest in the Common Areas and Facilities.

5.23. Mediation and Arbitration. With the exception of the provisions of Paragraph 5.7 hereof, in the event that any Unit Owner or any Trustee is aggrieved by any action or non-action of another Unit Owner or any Trustee, or in the event that any decision requiring a majority or unanimous vote of the Unit Owners or Trustees remains undecided because such vote does not receive a majority or unanimous vote, or is decided contrary to the desires of any Unit Owner or Trustee, such Unit Owner or Trustee shall first submit such action or vote to mandatory mediation. The parties to such dispute over an action or vote shall submit the matter to a mediator experienced in handling controversies arising out of condominium ownership or management. In the event that the parties are unable to mediate their dispute, the matter shall then be submitted to mandatory arbitration. Each party to the controversy or dispute shall choose an arbitrator, and a third arbitrator shall be designated by the arbitrators so chosen. Such arbitration shall be conducted according to rules promulgated by the American Arbitration Association. The findings and results of such arbitration shall be binding upon the parties and may thereafter be submitted to any Court of competent jurisdiction. The cost of the arbitrator chosen by each party to the dispute shall be paid by that party. The cost of the third arbitrator shall be decided as part of the resolution of the dispute.

ARTICLE VI - CONDOMINIUM MANAGING AGENT

6.1. Condominium Managing Agent. At their discretion, the Trustees shall appoint a condominium managing agent, and upon such terms and conditions as the Trustees see fit. The Trustees may delegate to such condominium managing agent such duties as are customarily and usually performed by other Condominium property managers.

6.2. Requirements. Notwithstanding anything to the contrary herein, any agreement with a condominium managing agent shall provide that the management contract may be terminated without cause and without payment of a termination fee or penalty upon ninety (90) days' or less written notice, and the term of such contract shall not exceed three (3) years. The consent of a majority of the Trustees shall be necessary for hiring and dismissing of any of the employees of the Condominium.

ARTICLE VII - MORTGAGES

7.1. Unit Mortgages. Any Unit Owner may, upon notice, but without the prior written approval of the Trustees, mortgage his/her/its Unit to any person, firm or entity.

A. In addition to the requirements of Section 6 of Chapter 183A, the Trustees, whenever so requested in writing by a First Mortgagee, shall promptly report (i) any then unpaid Common Expenses due from, or any other default by, the Unit Owner of the mortgaged Unit; (ii) any other default in the performance by the Unit Owner of the mortgaged Unit of any obligation under the Condominium Documents which is not cured within sixty (60) days after notice to the Unit Owner; (iii) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a mortgage held, insured, or guaranteed by a mortgage holder or insurer or

guarantor, as applicable; (iv) any lapse, cancellation or material modification of any insurance policy or fidelity insurance maintained by the Trustees; (v) any proposed action which requires the consent of a specified percentage of First Mortgagees as specified in the Master Deed or this Declaration of Trust; and/or (vi) any proposed material amendment to this Trust which may affect such First Mortgagee's interests or rights.

B. The right of any Unit Owner to vote, to grant or withhold any consent, and to exercise any other right or option herein granted to a Unit Owner may be assigned or transferred in writing to, or restricted in favor of, any mortgagee holding a mortgage covering that owner's Unit, and the Trustees shall upon receipt of written notice thereof from such Unit Owner or mortgagee be bound by any such assignment or transfer which appears of record to be in full force and effect.

ARTICLE VIII - RIGHTS AND OBLIGATIONS OF THIRD PARTIES DEALING WITH THE TRUSTEES

8.1. Third Parties' Reliance. No purchaser, mortgagee, lender or other person dealing with the Trustees as they then appear of record in the Registry shall be bound to ascertain or inquire further as to the identity of said Trustees or of any changes therein. The Trustees may issue certificates, in form suitable for recording or otherwise, setting forth facts as to any matter pertaining to the Condominium, and any such certificate signed by a majority of the Trustees as they appear of record shall be conclusive in favor of every party relying thereon as to the matters stated therein relating to the Trust.

8.2. Personal Liability Excluded. No recourse shall at any time be had under or upon any note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Trustees or by any agent or employee of the Trustees, or by reason of anything done or omitted to be done by or on behalf of them, or any of them, against the Trustees individually, or against any such agent or employee, or against any beneficiary, either directly or indirectly by legal or equitable proceeding, or by virtue of any suit or otherwise, and all persons extending credit to, contracting with or /having any claim against the Trustees, shall look only to the Trust Property for payment under contract or claim, or for the payment of any debt, damage, judgment or decree, or of any money that may otherwise become due or payable to them from the Trustees, so that neither the Trustees nor the Unit Owners, present or future, shall be personally liable therefor; provided, however, that nothing herein contained shall be deemed to limit or impair the liability of Unit Owners under provisions of Chapter 183A.

8.3. All Instruments Subject to Terms Hereof. Every note, bond, contract, order, instrument, certificate, undertaking, obligation, covenant or agreement, whether oral or written, made, issued or executed by the Trustees, or by any agent or employee of the Trustees, shall be deemed to have been entered into subject to the terms, conditions, provisions and restrictions hereof, whether or not express reference shall have been made to this instrument.

8.4. Recording. This Declaration of Trust and any amendments hereto and any certificate herein required to be recorded and any other certificate or instrument (including, without limitation, a Certificate pursuant to Section 6 (d) of Chapter 183A signed by a majority of the Trustees in office at the time (or one Trustee if there be but one) which may be deemed desirable to record shall be recorded

with the Registry and such recording shall be deemed conclusive evidence of the contents and effectiveness thereof according to the tenor thereof; and all persons dealing in any manner whatsoever with the Trustees, the Property and/or the Trust Property or any beneficiary hereunder shall be held to have notice of any alteration or amendment of this Declaration of Trust, or change of Trustee or Trustees, when the same shall be recorded with said Registry. Any certificate signed by a majority of the Trustees in office at the time (or one Trustee if there be but one) setting forth as facts any matters affecting the Trust (including statements as to who are the beneficiaries, what action has been taken by the beneficiaries, and matters determining the authority of the Trustees to do any act), when duly acknowledged and recorded with said Registry, shall be conclusive evidence as to the existence of such alleged facts in favor of all third persons, including the Trustees, acting in reliance thereon.

8.5. Certificates Of Incumbency And Address. The Trustees shall from time to time as required by Chapter 183A and/or this Declaration of Trust, record with the Registry appropriate instruments reflecting the composition of the Board of Trustees and the mailing address of this Trust.

ARTICLE IX - AMENDMENT AND TERMINATION

9.1. Amendments To Declaration Of Trust. Except as otherwise provided in this Declaration of Trust and in the Master Deed, this Declaration of Trust may be amended only by (a) the vote of the Unit Owners holding at least seventy-five percent (75%) of the total Undivided Interests in the Condominium, (b) the Unanimous Vote of the Trustees, and (c) the assent of at least fifty-one percent (51 %) of the First Mortgagees (based upon one vote for each Unit subject to a mortgage held by a First Mortgagee). Any such amendment shall be effective when an instrument in writing, signed and acknowledged in proper form for recording by a majority of the Trustees, who certify under oath in such instrument that the amendment has been approved by the requisite vote of Unit Owners, First Mortgagees, and Trustees is duly recorded with the Registry; provided, however, that no such instrument shall be of any force or effect unless the same has been recorded with the Registry within six (6) months after the of approval;

A. No instrument of amendment that alters the Undivided Interest of any Unit Owner in the Common Areas and Facilities shall be of any force or effect unless the same has been signed by the Unit Owner(s) whose Undivided Interest is being so affected;

B. No instrument of amendment affecting any Unit in a manner that impairs the rights, priorities, remedies or interests of a First Mortgagee of record thereon, shall be of any force or effect unless, in addition to the voting requirements specified above, notice has been given pursuant to the provisions hereof and the same has been consented to by such First Mortgagee (which consent shall not be unreasonably withheld, conditioned or delayed);

C. Nothing in this Article IX shall be deemed to impair the right of (i) the Declarant, at any time and from time to time until the Transition Date, and (ii) thereafter, the Trustees, to amend, alter, add to or change this Declaration of Trust without the consent of any Unit Owner (or any mortgagee thereof), the Trustees, or any other person or entity, by an instrument in writing signed and acknowledged by the Declarant and duly recorded with the Registry for the specific purposes of: (a) making minor, clerical or factual corrections to the provisions of this Declaration of Trust, the Master

Deed or to any or all of the Plans; (b) complying with the requirements of the FNMA, FHLMC, or any other governmental agency or any other public or private entity that performs (or may in the future perform) functions similar to those currently performed by such entities in order to induce any such agencies or entities to make, purchase, sell, insure or guarantee institutional mortgages covering Unit ownership, (c) enabling Declarant to exercise any of its rights reserved herein or in the Master Deed including without limitation those relating to the development of future Phases of the Condominium, (d) making technical and other appropriate non-material changes to this Declaration of Trust or the Master Deed as the Declarant deems necessary to effectuate the development of the Condominium, or (e) bringing this Declaration of Trust and the Master Deed into compliance with Chapter 183A, to the extent of any non-compliance, in each case to the extent such amendment does not materially adversely affect any Unit Owner's use and enjoyment of its Unit or any portion of the Common Areas and Facilities;

D. No instrument of amendment which alters the use to which any Unit may be put shall be effective unless, in addition to the voting requirements specified above, such instrument is signed by the Unit Owner(s) of the Units to be affected by such change;

E. No instrument of amendment which alters the voting rights of any Unit Owner shall be effective unless, in addition to the voting requirements specified above, such instrument is signed by the Unit Owner(s) of the Unit(s) to be affected by such change;

F. No instrument of amendment which affects the Declarant's rights under this Declaration of Trust herein shall be effective unless in addition to the voting requirements specified above, such amendment is signed by the Declarant, its successors and assigns; and

G. No instrument of amendment which alters this Declaration of Trust in any manner which would render it contrary to or inconsistent with any requirements or provisions of Chapter 183A shall be of any force and effect.

9.2. Termination. The Trust hereby created shall terminate only upon the removal of the Condominium from the provisions of Chapter 183A in accordance with the procedure therefor set forth in Section 19 of Chapter 183A and in the Master Deed.

9.3. Actions Upon Termination. Upon the termination of this Trust, the Trustees may, subject to and in accordance with provisions of Chapter 183A, sell and convert into money the whole of the Trust Property or any part or parts thereof, and, after paying or satisfying all known liabilities and obligations of the Trust and providing for indemnity against any other outstanding liabilities and obligations, shall divide the proceeds thereof among, and distribute in kind, all other property then held by them in trust hereunder, to the Unit Owners as tenants in common, according to their respective Undivided Interest in the Condominium. In making any sale under this provision, the Trustees shall have power to sell by public auction or private contract and to buy in or rescind or vary any contract of sale and to resell without being answerable for loss and, for said purposes, to do all things, including the execution and delivery of instruments, as may be in their judgment necessary or desirable in connection therewith. The powers of sale and all other powers herein given to the Trustees shall continue as to all property at any

time remaining in their hands or ownership, even though all times herein fixed for distribution of Trust Property may have passed.

ARTICLE X - CONSTRUCTION, INTERPRETATION AND WAIVER

In the construction hereof, whether or not so expressed, words used in the singular or in the plural, respectively, include both the plural and the singular and words denoting persons include individuals, firms, associations, partnerships, companies (joint stock or otherwise), trusts, corporations and limited liability companies unless a contrary intention is to be inferred from them or required by the subject matter or context. The title headings of different parts hereof are inserted only for the convenience of reference and do not control or affect the meaning, construction, interpretation or affect hereof. All the trusts, powers and provisions herein contained shall take effect and be construed according to the laws of the Commonwealth of Massachusetts. Unless the context otherwise indicates, words defined in Chapter 183A shall have the same meaning herein and to the extent of any conflict between the terms hereof and the requirements of said Chapter 183A, the latter shall govern. The invalidity of any part of this Declaration of Trust shall not impair or affect in any manner the validity, enforceability or effect of the balance of this Declaration of Trust. No restriction, condition, obligation or provision contained in this Declaration of Trust shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

[Signatures follow on next page.]

IN WITNESS WHEREOF said Declarant has hereunto set its hand and seal on the date first set forth above.

DECLARANT:

WENHAM PINES LLC, a Massachusetts
limited liability company

By: _____

COMMONWEALTH OF MASSACHUSETTS

ESSEX, ss.

On this ____ day of _____, 2018, before me, the undersigned notary public, personally appeared _____, as Manager of Wenham Pines LLC, a Massachusetts limited liability company, proved to me through satisfactory evidence of identification, by showing me a copy of his identification, which was a Massachusetts driver's license, or personally known to me, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as Manager of said company.

Notary Public

My commission expires:

SCHEDULE I

Summary of Trust Maintenance and Inspection Obligations

1. Appendix D of Operation and Maintenance Plan in Support of Flexible Development/Permit Site Plan for Wenham Pines, prepared by Hancock Associates, Inc., dated December 5, 2016, a copy of which is attached hereto (*relating to inspection and maintenance of drainage and stormwater facilities post-construction*).
2. Open Space Operation and Maintenance Plan for Wenham Pines prepared by Ryan Associates dated December 5, 2016, a copy of which is attached hereto (*relating to the maintenance of the Open Space Parcels*).

SCHEDULE II

Unit Owner Maintenance Obligation

WHEREAS, the Unit Owners are entitled to exclusive possession of their respective Units pursuant to M.G.L. c.183A, §4, and also have the responsibility to properly maintain and repair their respective Units pursuant to Article V, Section 5.2 of the Declaration of Trust.

WHEREAS, the Board of Trustees (the "Trustees") seeks to ensure that the Condominium, including the Units, are properly maintained so to prevent mold growth on the Condominium premises;

WHEREAS, it is essential that any moisture and water intrusion be promptly addressed to inhibit the growth of mold;

WHEREAS, it is critical that the Trustees be alerted immediately to the first signs of water intrusion within a Unit or the common areas of the Condominium to prevent and/or minimize the spread of water intrusion and moisture-related conditions to the Common Elements, the affected Unit and other Units in the Condominium;

WHEREAS, the Unit Owners, having the exclusive possession of their respective Units, are solely able to observe any evidence of water intrusion, excessive moisture and/or corresponding mold growth within said Units; and

WHEREAS, there is a need to establish both orderly and uniform procedures to address moisture and water intrusion in Units and common areas for the purpose of protecting the Units and Common Elements of the Condominium.

NOW, THEREFORE, that the following obligations are the responsibility of each Unit Owner at the Condominium:

1. Unit Owners shall be responsible to keep up and maintain their Units in a dry and clean manner and state, with a minimum air temperature with the Unit of not less than 55° degrees Fahrenheit and, for any Unit with a cooling system, a maximum air temperature of not greater than 77° Fahrenheit. Indoor relative humidity must be maintained between 30% and 55% at all times.
2. Unit Owners shall be responsible to:
 - (i) clean and dust the surfaces within a Unit on a regular basis;
 - (ii) immediately remove visible moisture accumulation on windows, windowsills and any other surfaces within the Unit;
 - (iii) immediately clean, dry and disinfect all liquid spills or leaks within the Unit;

- (iv) not block or cover any heating, ventilation or air-conditioning ducts and keep furniture and furnishings away from such ducts;
- (v) engage a professional remediation company to mitigate any damage to the Unit resulting from leaks or spills;
- (vi) consider replacement of water heaters prior to the end of the warranty period, and in any event, inspect water heaters periodically for leaks;
- (vii) use braided metal hoses or high pressure equivalent on washing machines, if any;
- (viii) utilize licensed plumbers and electricians for any plumbing or electrical work within the unit;
- (ix) properly maintain, caulk, repair and replace all windows and skylights serving the unit to ensure they remain free of leaks or condensation; and
- (x) notify the Trustees in writing of a contact person and emergency number if they are away from the unit for a period of two (2) days or more.
- (xi) not pour or dispose of any solvents, paints, grease or other substances which are harmful to the septic systems down any sinks, toilets or drains.

3. Unit Owners shall be solely responsible to ensure that any vents or exhaust fans serving the Unit are vented properly to the exterior of the building and kept clear of ice and snow, including, without limitation, heating or furnace vents, bath exhaust vents, stove vents and laundry dryer vents. In the event they are not properly vented, the Unit Owner shall repair the same, obtaining the written consent of the Trustees prior to undertaking any work in the common areas. In addition, Unit Owners shall be solely responsible to inspect, clean and maintain (including changing filters), at least annually, all such vents and exhaust fans.

4. Unit Owners are required to report immediately, in writing, delivered to the Trustees:

- (i) any evidence of water leak or water infiltration or excessive moisture in the Unit or common areas;
- (ii) any evidence of mold or fungi growth within the Unit that cannot be completely removed with a common household cleaner; and/or
- (iii) any failure or malfunction of any heating, ventilating or air conditioning system serving the Unit.

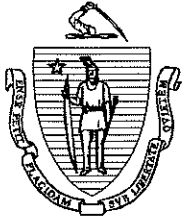
5. Unit Owners shall be responsible and liable for any expenses incurred by the Trustees for the maintenance, repair, replacement, cleaning and remediation to repair the Unit and to

remove mold from the Unit in the event the Unit Owner fails to properly and promptly undertake the same. Notwithstanding the foregoing, the Trustees shall have no obligation to take any action within a Unit, but may do so in its sole discretion. Unit Owners shall allow immediate access to their Unit for such purposes.

6. Unit Owners shall be responsible and liable for the expenses incurred by the Trustees for the maintenance, repair, replacement, cleaning and remediation of any damage to, and to remediate and remove mold from the Unit, other Units and the common areas caused by the Unit Owner's failure to maintain his/her Unit, or arising out of, relating to or resulting from the Unit Owner's failure to comply with the terms of this Resolution, the Master Deed, the Trust or the Rules and Regulations or for any other reason caused by the Unit Owner's actions. Such costs shall also include all costs incurred by the Trust, including, but not limited to, expenses for industrial hygienists and attorneys' fees.

7. Unit Owners shall be personally responsible and liable for any fines, costs and attorneys' fees for violations of this Resolution and any damages suffered by the Condominium or other Owners or occupants at the Condominium, including any injuries to persons, arising out of, relating to or resulting from the failure of the Unit Owner to comply with the terms of this Resolution.

8. Any expenses or fines or attorney's fees charged to a Unit Owner arising out of failure of the Unit Owner to fulfill its obligations hereunder shall constitute a lien against the unit and shall be a personal liability of the unit owner.



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Gregory Bialecki, Secretary, EOHEd

FOR DHCD USE ONLY:

Pursuant to 301 CMR 11.03(2), DHCD hereby determines that no ENF Must Be Filed.

date

signature
for DHCD Division of Housing Development

MEPA ENF Certification

Project Name: Wenham Pines

City/Town: Wenham, MA

Project Sponsor: Wenham Pines, LLC

I hereby certify, pursuant to the Massachusetts Environmental Policy Act (MEPA, G.L., c. 30, ss. 61-62H) and regulations (301 CMR 11.00) as follows:

The development will alter 25 or more acres of land. _____ Yes x No

The development will create 5 or more acres of impervious area. _____ Yes x No

The development meets or exceeds one of the SS 11.03 review thresholds. _____ Yes x No

The development is in an Area of Critical Environmental Concern
(see G.L., c. 21A, s. 2 (7); St. 1974, c. 806, s. 40 (e)) _____ Yes x No

The Fail Safe provision in s. 11.04 has been invoked with regard to this
development. _____ Yes x No

The Secretary of Environmental Affairs has required filing of an Environmental
Notification Form (ENF). _____ Yes x No

An ENF or Environmental Impact Report is required for this development for
other reasons. _____ Yes x No

For the Project Sponsor,

 (signature)
Miranda P. Gooding (print name)
Attorney for Project Sponsor (title)
2/25/19 (date)

Wenham Pines

Wenham, MA

Marketing and Outreach Plan

Introduction

The marketing program and minority outreach for Wenham Pines in Wenham, Massachusetts will be grass roots in nature with the focus on the local market. In the immediate market area including the Town of Wenham, there is a need for quality affordable units. As home prices in these communities continue to appreciate and the availability of suitable properties has shrunk, we are excited to have the opportunity to provide two new condominiums for distribution to qualified first time homebuyers.

The homes will be distributed based upon criteria established by the Department of Housing and Community Development (DHCD) through the Local Action Unit Application. These units will be distributed in one applicant pool, the Open Pool.

The objective of the marketing program is to identify a sufficient pool of applicants for the available homes. Based upon the lottery results, all applicants would have their proper rank in the appropriate pools. This will enable us to quickly determine who would have the first opportunity for the purchase of an upcoming unit.

What follows is a list of activities and materials we intend to utilize to assist in our marketing of the units, processing of the applicants and our attempts to reach out to the areas minority population.

General Information

The Town of Wenham has worked to create this affordable housing opportunity at Wenham Pines in Wenham, Massachusetts. Wenham Pines will consist of 24 townhome units. Two of the units will be available to applicants that meet the eligibility criteria. All of the units will be restricted for occupancy by households having at least one person over the age of 55.

These units will be sold, by lottery, to households who meet the eligibility requirements and have an income at or below 50% of the area median income, for the Boston MA HUD Metro FMR Area adjusted for Household size. The unit pricing is: \$150,000.00 for the 2-bedroom unit and \$175,000 for the 3-bedroom unit. .

This duplex will have one - 2 bedroom/2 bath unit in the +/- 1325 sq. ft. and one – 3 bedroom/2 bath unit in +/- 1,535 sq. ft.

The affordable unit will have a "Deed Rider" that will be filed with the deed at the time of purchase. This deed rider restricts the amount that the unit can be resold for, based on a Resale Price Multiplier, and requires subsequent buyers to have a household income at or below 50% of the area median income at the time of resale. The deed rider ensures that the unit stays affordable for the long term.

Wenham Pines LLC will be sponsoring an application process and lottery to rank the eligible program applicants. The application and lottery process as well as the eligibility requirements, are described in this plan. Wenham Pines has contracted Harborlight Community Partners, of Beverly, MA, as their lottery agent.

Marketing and Outreach Plan

Wenham is located 24 miles north of Boston with easy access to Routes 128, 95, 495 and the Mass Pike. Commuter rail service into Boston is available.

Application availability and a public information meeting will be announced, with a minimum of two ads, in the *Salem News*, the local newspaper. Additional ads will be placed in the *Lynn Item and Gloucester Times*. We will work closely with the *Salem News* to have articles placed to ensure awareness of the project and the available affordable housing opportunity.

Minority outreach will be conducted through the *Lynn Item* and *El Mundo* Newspapers. Placement of notices on the our website and the *Salem News* will be pursued.

A listing on these websites; www.massaccesshousingregistry.org and www.massaffordablehomes.org will announce the lottery and application availability. Additionally, a mailing will be sent to local social service and public organizations. See attached list.

Harborlight Community Partners will post Wenham Pines' lottery information and application on line at www.harborlightcp.org. Application packets will also be available to applicants who do not have access to a computer and can be requested through Harborlight Community Partners by phone, email or may be picked up at the Beverly City Hall or Public Library. Harborlight Community Partners can be reached at:

Harborlight Community Partners
P.O. Box 507
Beverly, MA 01915
(978) 922-1305
FAX: (978) 922-2874
information@harborlightcp.org

A local Public Information Meeting is scheduled for _____ at 6:30 p.m. in the _____ Room at the Beverly Public Library, located at 32 Essex Street, where questions regarding program eligibility requirements, preferences for selections and the lottery process will be addressed. The application deadline is _____ with the lottery being held _____.

A confirmation letter or email will be sent to each eligible applicant stating their lottery code after the application deadline. Lottery codes will be announced during the lottery drawing, to ensure applicants privacy.

Eligibility Requirements

Each lottery applicant must meet the following eligibility requirements:

1. Must be a first time homebuyer defined as not having owned residential property for three years.

****Exceptions as follows:**

- a) displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
- b) single parent, where the individual owned a home with his or her partner or resided in a home owned
 - a. by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of who the individual has custody or joint custody, or is pregnant);
- c) households where at least one household member is 55 or over;
- d) households that owned a principal residence not permanently affixed to a permanent foundation in

accordance with applicable regulations; and

- e) households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of construction a permanent structure.

****A home owned by one of the above exceptions must be sold prior to closing on the affordable unit.**

2. Meet the maximum allowable income guidelines, adjusted for household size, as follows:

Household Size	1	2	3	4	5
Max Allowable Income	\$37,750	\$43,150	\$48,550	\$53,900	\$58,250

(Note: This represents 50% of the annual household median income for the area and is subject to adjustments. This assumes a household size of 1-5 people. This income limit is subject to change based upon DHCD updating.)

3. Total household assets shall not exceed \$275,000. Full value or a portion of liquid retirement assets are counted. Assets divested at less than full market value within two years of application will be counted at full market value in determining eligibility.

Complete DHCD Income and Asset Guidelines will be provided upon request or you can view on-line at www.harborlightcp.org.

Additional restrictions:

- Units must be principal residence of the owners and cannot be rented or leased.
 - At least one member of the household must be aged 55 years or older.
- Non-household members are not permitted to be co-signers on the mortgage.
- FHA and VA loan are not accepted as they will not close on deed restricted properties that survive foreclosure.

Mortgage Guidelines:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyers monthly income for the mortgage.
6. Non-household members shall not be permitted as co-signers of the mortgage.

A mortgage pre-approval letter will be required to participate in the lottery. The pre-approval letter must be based on applicants' credit score and current financial situation and it is highly recommended it be from an institutional lender familiar with affordable deed restrictions and received with their application before the application deadline. An online letter will NOT be accepted. A list of banks will be available at the Public Information Meeting and upon request.

It is recommended buyer look into the One Mortgage Program at mhp.net and the MassHousing Mortgage Program at masshousing.com. Both programs offer loans for first time homebuyers where the minimum down payment is 3%.

Complete financial documentation will also be required to participate in the lottery. Failure of applicants to provide documentation will disqualify them for the lottery.

Lottery Process and Preferences

Harborlight Community Partners will screen all applications. All approved and eligible applicants will receive a lottery code prior to the lottery. The code is what will be announced during the lottery to protect your privacy.

All units will be distributed through the Open Pool in the lottery.

Household Size

Preference for the bedroom units will be given to households who require two or three bedrooms. Second preference is for households who require one or two bedrooms.

Unit preferences are based on the following:

- a. There is at least one occupant per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.
- d. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

Resale of Affordable Units

The resale of the affordable units will be coordinated by the Monitoring Agent. If you have an opportunity to purchase you will receive a copy of the LIP Homebuyer Disclosure Statement which outlines the limitation on profit, steps to resell the unit, time allowed to sell, and capital improvements etc. If you would like to receive a copy of this document, send an email to ygraham@harborlightcp.org and a copy will be emailed to you.

Summary

We believe this outreach program will ensure that the Town of Wenham and the surrounding communities will be notified of the available opportunities and the smooth and fair processing of all potential applicants. It is our intention to work with the Town of Wenham to incorporate local requests and ideas.

Wenham Pines – Wenham, MA

For Sale

1 Two Bedroom and 1-Three Bedroom Condominium in a 55+ community

→ Unit Information

<p>Sale Price: \$150,000</p> <p># of BR: Two Bedroom Unit</p> <p>Baths: 2</p> <p>Unit Size: Approx 1,325 sq. ft.</p> <p>HOA Fee: \$150 per month</p> <p>Appliances: Refrigerator, Stove, Dishwasher, Microwave, W/D hookup, garage parking</p> <p>HOA Includes: Landscaping, snow removal, common insurance,</p> <p>_____</p>	<p>Sale Price: \$175,000</p> <p># of BR: Three Bedroom Unit</p> <p>Baths: 2</p> <p>Unit Size: Approx. 1,535 sq. ft.</p> <p>HOA Fee: \$150 per month</p> <p>Appliances: Refrigerator, Stove, Dishwasher, Microwave, W/D hookup, garage parking</p> <p>HOA Includes: Landscaping, snow removal, common insurance,</p> <p>_____</p>
<p>Eligibility Criteria:</p> <ol style="list-style-type: none">1. At least one resident per household must be 55 years or age and older2. Must be First Time Homebuyer, some exceptions apply3. Asset limit to \$275,0004. Gross Household Income Limits: <p>1 person: \$37,750; 2 person: \$43,150; 3 person: \$48,550; 4 person: \$53,900</p> <p>Contact us for lottery details or application at Harborlight Community Partners – 978-922-1305 or information@harborlightcp.org</p> <p>Deed restricted/Income and Asset Eligibility</p>	
<p>Public Information Meeting:</p> <p>Application Deadline:</p>	



Lottery Information Wenham Pines Wenham, MA

Wenham Pines, located at 56-60 Main Street in Wenham, is a new 22 unit townhouse development together with 2 affordable townhome units for eligible first time homebuyers in a over-55 community (certain exceptions apply) which will be distributed by lottery. These homes include 1 two bedroom, 2 bath approximately 1,325 sq. ft. unit, and 1 three bedroom, 2 bath in approximately +/- 1535 sq. ft. unit.

The purchase price has been set at \$150,000 for the two bedroom unit and \$175,000 for the three bedroom unit. The units will be sold by lottery as outlined in this package. Please review the enclosed information packet in detail and complete the application and disclosure statement at the rear of the packet. The monthly HOA fee is \$150 and the 2019 tax rate is \$18.02 per thousand¹

PLEASE NOTE: All applicants must include a mortgage pre-approval letter, from an institutional lender familiar with affordable deed restrictions, and complete financial documentation with the application. Incomplete applications will not be included in the lottery and the applicants will be notified after the deadline. FHA and VA loans are not accepted.

A Public Information Meeting will be held _____ at 6:30 pm in the Hamilton Wenham Public Library, located at 11 Union Street in S. Hamilton, MA to answer specific questions and provide an overview of the process. If you cannot attend this meeting please call Harborlight Community Partners at 978-922-1305 with any questions.

Applications may be mailed to Harborlight Community Partners, P.O. Box 507, Beverly, MA 01915.

The application deadline is _____. All complete applications must be postmarked on or before _____ to be included in the lottery. The lottery will be held 6:30 p.m. _____ in the Hamilton Wenham Public Library.

Thank you for your interest in affordable housing at Wenham Pines. If you have questions and cannot attend the Public Information Meeting, please contact Harborlight Community Partners at 978-922-1305 or email us at information@harborlightcp.org. We encourage you to advise other people or organizations that may be interested in this program and make copies of the relevant information as needed.

¹ Tax rate to be updated at time of marketing.



Wenham Pines

Question & Answer

What are the qualifications required for Prospective Buyers?

- Qualify based on the following maximum income table, which is adjusted for household size²:

Household Size	1	2	3	4
Max Allowable Income	\$37,750	\$43,150	\$48,550	\$53,900

LOTTERY APPLICANT QUALIFICATIONS AND PROCESS:

Due to the nature of the affordable units' availability it is important for everyone to understand the procedure. Please understand the allowable income guidelines are adjusted based upon your household size. Also be advised that the program and its requirements are subject to changes in local, state or federal regulations.

- The applications for this housing opportunity are available on-line at www.harborlightcp.org, in hardcopy at Hamilton-Wenham Public Library and Wenham Town Hall, and sent to anyone interested in the lottery.
- Applications received will be checked for completion of all required components. An application will be considered complete when all required items on the checklist have been provided. Applicants are encouraged to complete the checklist as an aid to the process.
- For all units, the applicant's household size will be determined from the application, and the required number of bedrooms as indicated on the application. Priority shall be given to households requiring at least the total number of bedrooms in the unit.
- The applicants' income will be verified and compared to the income limits published by HUD for the Boston, MA HUD Metro FMR area. Income includes all income prior to any deductions from all adult household members, and are determined using the method as in the HUD Section 8 program defined at 24 CFR 5.609..
- Household assets shall not exceed \$275,000 in value, including equity in a dwelling (to be sold). Assets include but are not limited to all cash, cash in savings accounts, checking accounts, certificates of deposit, bonds, stocks, cash value of retirement accounts, value of real estate holdings and other capital investments. Include the value of the asset, with a deduction for the reasonable cost of selling the asset. The value of necessary personal property (furniture, vehicles) is excluded from asset values. If the potential purchaser divest him/herself of an asset for less than full and fair cash value of the asset within two years prior to the application, the full and fair cash value of the asset shall be included for purposed of calculating eligibility.
- Eligible applicants must be first-time homebuyers or shall not have owned a home with 3 years preceding the application, with the exception of:
 - Displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
 - Single parents, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom the individual has custody or joint custody, or is pregnant);

² Note that income limits will be updated at time of actual marketing.



- c. Household where at least one household member is 55 or over;
 - d. Households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - e. Households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.
7. Persons must submit all the necessary information by the application deadline. Faxed applications will be accepted. Late applications (applications mailed and/or received after the above date) and applications that are incomplete will not be accepted.
 8. All applicants will be screened for eligibility. Applicants who have been deemed ineligible will be notified in writing of the decision and given time to contact the lottery agent in writing to dispute the determination.
 9. Once the Lottery Agent has verified the information in the application and confirmed eligibility, applicants will be given lottery numbers and told the date, time and place of the lottery.
 10. Units are awarded based on bedroom size/household need. The top ranked household needing at least the number of bedrooms in the home will be offered the opportunity to purchase the specific unit.
 11. First preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:
 - a. There is at least one occupant per bedroom.
 - b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom.
 - c. Other household members may share but shall not be required to share a bedroom
 12. At the lottery, the lottery numbers will be drawn by a senior member of the management staff and witnessed by representatives in a public setting. The lottery numbers will be assigned a number in the sequence in which they are drawn and recorded in the order of selection on the Lottery Drawing list. The list of numbers drawn will be posted and all applicants will be informed of their ranking. Applicants are encouraged, but not required, to attend.
 13. Once the lottery is complete, the lottery coordinator shall maintain the Lottery Drawing List until all units are closed. In the event that any of the applicants are unable to obtain financing, withdraw for any other reason, or do not comply with guidelines, the next qualified applicant on the wait list will be offered that particular unit.
 14. The winners will sign a reservation form within 15 calendar days of the lottery.
 15. The Purchase and Sale Agreement will be completed as the units are constructed. Applicants will be required to recertify eligibility prior to executing the Purchase and Sale Agreement. Applicants will deposit a minimum of 3% of the sale price at time of Purchase and Sale, which is applied to the overall cost.
 16. The State programs and bank products have specific closing and financing requirements. Current mortgage requirements include:
 - a. The loan must have a fixed interest rate through the full term of the mortgage
 - b. The loan must have a current fair market interest rate, no more than 2 percentage points above the current rate.
 - c. The loan can have no more than 2 points.
 - d. The buyer must provide a minimum down payment of 3%; half must come from the buyer's funds.
 - e. The buyer may not pay more than 38% of their monthly income for housing costs.
 - f. No family loans or FHA mortgages can be accepted.
 - g. Non-household family members shall not be permitted as co-signers of the mortgage.
 17. The Federal Fair Housing Act prohibits discrimination in housing because of race or color, national origin, religion, sex, familial status, children or disability. M.G.L. 151B furthers the protections to prohibiting discrimination against marital status, age sexual orientation, gender identity, military status, public assistance, genetic information and ancestry. An applicant who believes that he/she may have been discriminated against in the buyer selection and



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

sales process may contact: the Massachusetts Commission Against Discrimination (617) 994-6000; and/or the United States Department of Housing and Urban Development (617) 994-8300.

18. Disabled persons are entitled to request reasonable accommodation of rules, policies, or services, or reasonable modification of housing.
19. For applications with Limited English Proficiency, the owner will use a translation service.

Complete Income and Asset Guidelines will be provided upon request, you can view on line at www.harborlightcp.org.

Other program highlights for Lottery applicants:

- Unit must be principal residence of the owners and cannot be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage.
- A mortgage pre-approval letter, from a bank experienced with deed-restricted properties, is required to participate in this lottery. FHA and VA loans will not be accepted as they will not close on deed restricted properties that survive foreclosure.

Are there mortgage guidelines that we need to follow?

Yes, they are:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyer's monthly income for the mortgage.
6. Non-household members shall not be permitted as co-signers of the mortgage.

It is highly recommended the mortgage be from an institutional lender familiar with affordable deed restriction guidelines. It is recommended you look into the One Mortgage Program at mhp.net and the MassHousing Mortgage Program at masshousing.com. Both programs offer loans for first time homebuyers where the minimum down payment is 3%.

Are there preferences for those with families?

Yes. Household size preference for the two bedroom units will be given to households that require two bedrooms, three bedroom units will be given to household that require three bedroom; second preference is for two bedroom households requiring one bedroom.

Unit preferences are based on the following:

- a. There is a least one occupant per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.
- d. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

Persons with disabilities are entitled to request a reasonable accommodation of rules, policies, practices, or services or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the person(s) with disabilities equal opportunity to use and enjoy the housing.



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

Are there any restrictions?

YES. Deed restrictions are used to ensure the units are affordable for future buyers. The deed rider requires principal residency, affordability for perpetuity and prior approval from the Town and Monitoring Agent for capital improvements and refinancing. If you choose to sell your unit you must notify the town and Monitoring Agent in writing. There is a limit on the resale price. The maximum resale price is determined by the Monitoring Agent using a Resale Price Multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income. **For example**, if the initial price is \$174,200 and the current area median income is \$79,700, the Resale Price Multiplier would be $\$174,200/\$79,700 = 2.18$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the Maximum Resale Price. A 2% resale fee is added to that price.

All selected applicants are urged to review the deed rider with their own attorney. All buyers will be provided with a copy at the time of Purchase and Sale Agreement. Email: Miranda Gooding at mgooding@glovsky.com, Direct Line: 978.720.3122 for a copy of the deed rider.

How much money do I need to make to afford the unit?

The minimum income required to purchase is based upon an applicant's ability to secure a mortgage. Attached is a "Sample Affordability Analysis" based upon current interest rates and anticipated real estate taxes and related housing expenses.

Lottery Pools

There will be two pools for this lottery; one for the two bedroom and one for the three bedroom units. Both units are available to all the applicant's that qualify.

All of the applicants will be pulled and their lottery code announced at the time of the lottery. This order of selection will establish the rankings for the unit's distribution. The first two applicants that meet the household size preference criteria for each unit type will have an opportunity to purchase a home, and the remaining applicants would establish the waiting list if either buyer decides not to purchase.

Time Frames

The affordable units at Wenham Pines will be available for occupancy beginning in _____ 20____. If you are selected and have the opportunity to purchase the unit you will speak or meet with a representative to review your application to verify all information. The Applicant selected for the homes will start working with their lender immediately to secure the necessary mortgage. Please be advised that the final income verification will be done at the time you have an opportunity to purchase a unit. All applicants will be determined income/asset eligible BEFORE they are entered into the lottery. The selected applicants' financial documents are verified again just before closing.

Acceptance of Home

If you choose not to purchase the property, you will go to the bottom of the list and will likely NOT have another opportunity.

Summary

We hope this helps explain the process by which the units will be distributed. It can be a lengthy and sometimes complicated process. We greatly appreciate your participation and wish you the best of luck in the lottery process.



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

SAMPLE AFFORDABILITY ANALYSIS

Home Price – 2 bedroom	\$ 150,000	Home Price – 3 bedroom	\$ 175,000
<i>Interest Rate</i>	4.03	<i>Interest Rate</i>	4.03
<i>Down Payment (%)</i>	5%	<i>Down Payment (%)</i>	5%
Down Payment (\$)	\$ 7,500	Down Payment (\$)	\$ 8,750
Mortgage Amount	\$ 142,500	Mortgage Amount	\$ 166,250
Monthly Expenses		Monthly Expenses	
<i>Principal & Interest</i>	\$ 682.78	<i>Principal & Interest</i>	\$ 796.58
<i>Real Estate Taxes</i>	\$ 225.25	<i>Real Estate Taxes</i>	\$ 262.79
<i>Private Mortgage Insurance</i>	\$ 85.80	<i>Private Mortgage Insurance</i>	\$ 99.75
<i>Hazard Insurance</i>	\$ 50.00	<i>Hazard Insurance</i>	\$ 50.00
<i>HOA Monthly Fee</i>	\$ 150.00	<i>HOA Monthly Fee</i>	\$ 150.00
TOTAL Monthly Expenses	\$ 1,143.53	TOTAL Monthly Expenses	\$ 1,309.12

NOTES:

ALL values are estimates and are subject to change. Wenham

2019 Residential Tax Rate = 18.02 per thousand



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

Wenham Pines

LOTTERY APPLICATION

APPLICATION DEADLINE:

For Office Use Only:

Date Appl. Rcvd: _____

Local: Y / N _____

Household Size: _____

Lottery Code: _____

PERSONAL INFORMATION:

Date: _____

Name: _____

Address: _____ Town: _____ Zip: _____

Home Tele: _____ Work: _____ CELL: _____

Email: _____

Have you or any member of your household ever owned a home? _____ If so, when did you sell it? _____

FINANCIAL WORKSHEET: (Include all Household Income which includes gross wages, retirement income (if drawing on it for income), business income, veterans benefits, alimony/child support, unemployment compensation, social security, pension/disability income, supplement second income and dividend income.)

Borrowers Monthly Base Income _____

(Gross) Other Income _____

Co-Borrowers Monthly Base Income (Gross) _____

Other Income _____

TOTAL MONTHLY INCOME: _____

Household Assets: (This is a partial list of required assets. A complete list will be provided should you have an opportunity to purchase. Complete all that apply with current account balances)

Checking (avg balance for 6 Months) _____

Savings _____

Stocks, Bonds, Treasury Bills, CD or _____

Money Market Accounts and Mutual Funds _____

Individual Retirement, 401(k) and Keogh _____

accounts Retirement or Pension Funds _____

Revocable trusts _____

Equity in rental property or other capital investments _____

Cash value of whole life or universal life insurance policies _____

Down-payment Gift _____

TOTAL ASSETS _____

EMPLOYMENT STATUS: (include for all working household members. Attach separate sheet, if necessary.)

Employer: _____

Street Address: _____

Town/State/Zip: _____

Date of Hire (Approximate): _____

Annual Wage - Base: _____ Additional: _____

(Bonus, Commission, Overtime, etc.)



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

ABOUT YOUR FAMILY: OPTIONAL

You are requested to fill out the following section in order to assist us in fulfilling affirmative action requirements. Please be advised that you should fill this out based upon family members that will be living in the home. Please check the appropriate categories:

	Applicant	Co-Applicant	(#) of Dependents
White	_____	_____	_____
African American	_____	_____	_____
Hispanic/Latino	_____	_____	_____
Asian or Pacific Islander	_____	_____	_____
Native American or Alaskan Native	_____	_____	_____

The total household size is _____

Household Composition: Include Applicant(s)

Name: _____	Relationship: _____	Age: _____
Name: _____	Relationship: _____	Age: _____
Name: _____	Relationship: _____	Age: _____
Name: _____	Relationship: _____	Age: _____

ADDITIONAL INFORMATION:

Please be advised that the income to be used should include income for all members of the household that are to be residing in the home. Applicants will be responsible for all closing costs associated with the purchase of a home. The down payment must be a minimum of 3%, ½ of which must come from the buyer's own funds, based upon standard underwriting procedures. Some of this may be in the form of a gift depending on the lending institution.

SIGNATURES:

The undersign warrants and represents that all statements herein are true. Income and assets must be verified and a pre-approval letter from a bank submitted before entry into lottery to have an opportunity to purchase the affordable home at Wenham Pines in Wenham, MA. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application prior to closing.

Signature _____	Date: _____
Applicant	
Signature _____	Date: _____
Co-Applicant	

It is my judgment that the applicant should be allowed to participate in the Wenham Pines affordable home lottery based upon this application. If selected all information provided shall be verified for accuracy at the time of bank application.

Signature _____ Date: _____
Certifying Agent (Harborlight)

Return with **SIGNED** Affidavit & Disclosure Form, mortgage pre-approval letter and complete financial documentation to:

Harborlight Community Partners
P.O. Box 507, Beverly, MA 01915

PLEASE NOTE: All applicants must include a mortgage pre-approval letter, from an institutional lender familiar with affordable deed restrictions, and complete financial documentation with the application. All incomplete applications will be returned to the sender. They can be resubmitted with the missing documentation and may be included in the lottery, if received by the deadline and application is determined eligible in the pre-screening.



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable home at Wenham Pines in Wenham, MA.

1. The annual household income for my family does not exceed the allowable limits as follows:

Household Size	1	2	3	4
Max Allowable Income	\$37,750	\$43,150	\$48,550	\$53,900

Income from all family members must be included.

2. I/We have not individually or jointly owned a single family home, town home, condominium or co-op within the past three (3) years. We understand the exceptions that apply.
3. I/We certify that my/our total household assets do not exceed the \$275,000 asset limit and understand additional asset guidelines will be provided if we have an opportunity to purchase. Assets Divested for less than full market value within the last two years will be counted at fair and full market value for eligibility purposes.
4. The household size listed on the application form includes only and all the people that will be living in the residence.
5. I/We certify all data supplied on the application is true and accurate to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that providing false information will result in disqualification from further consideration.
6. I/We understand that by being selected in the lottery does not guarantee that I/we will be able to purchase a home. I/We understand that all application data will be verified and additional financial information may be required, verified and reviewed in detail prior to purchasing a home.
7. I/We understand that it is my/our obligation to secure the necessary mortgage pre-approval for the home purchase through a bank experienced with deed-restricted housing. I/We understand all expenses, including closing costs and down payments, are my responsibility.
8. I/We further authorize MCO Housing Services to verify any and all income, assets and other financial information, to verify any and all household, resident location and workplace information and directs any employer, landlord or financial institution to release any information to MCO Housing Services and consequently the project's monitoring agency, for the purpose of determining income eligibility.
9. I/We understand that if selected I/we will be offered a specific home. I/We will have the option to accept the available home, or to reject the available home. If I/we reject the available home I/we will move to the bottom of the waiting list and will likely not have another opportunity to purchase an affordable home.
10. Program requirements are established by Mass Housing and the Town of Wenham. I/We agree to be bound by whatever program changes that may be imposed at any time throughout the process. If any program conflicts arise, I/we agree that any determination made by the Monitoring Agent is final.
11. I/We certify that no member of our family has a financial interest in the project.
12. I/We understand there may be differences between the market and affordable units and accept those differences.
13. I/We understand these are deed restricted units and acknowledge that it is recommended we consult an attorney.

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available home at Wenham Pines. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

Applicant

Co-Applicant

Date:

Return with completed and signed application, a mortgage pre-approval letter and all financial documentation to:

Harborlight Community Partners
P.O. Box 507, Beverly, MA 01915



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.

REQUIRED FINANCIAL DOCUMENTATION

Please provide a copy of all applicable information. Failure to provide a complete application means you will not be included in the lottery.

1. **Federal** Tax Returns – 2016, 2017, 2018 - (**DO NOT SEND MASS STATE TAXES**)
2. W2 and/or 1099-R Forms: 2016, 2017, 2018
2. Asset Statement(s): **Current** statements including 6 months checking accounts (full statement showing activity/every page front and back). **Three months** saving accounts (full statement) and current investment accounts including retirement, certificate of deposit, property, down payment gift amount etc.
 - Note: all non-identifiable deposits must be identified in all banking statements. Failure to do so and those amounts may be counted as income and may make you ineligible.
4. Five (5) **consecutive** pay stubs ending within one month of unit application for all jobs (check/direct deposit stubs). For unemployment, copies of unemployment checks or DOR verification stating benefits received.
5. Social Security: official statement of monthly amount received for year in review and statement of total amount received for latest tax year.
6. Pension: statements indicating amount received for year in review and statement of total amount received for latest tax year.
7. Child support and alimony: legal document indicating the payment amount. You must provide documentation if you do not receive child support.
8. Proof of student status for dependent household members over age of 18 and full-time students, letter from school stating student status, i.e. full time/part time.
9. If you intend to utilize a gift from a family member to assist with the down payment, please advise us of the gift amount with the name and telephone number of the person providing the gift.
10. If you owned a home within the past 3 years but it was sold due to a divorce provide copy of divorce or separation papers and proof of the home sale showing equity received such as the HUD Settlement Statement.
11. If you are self-employed you must provide detailed income and expense spreadsheet for the 12 months prior to application and 6 months of business checking and current savings account.

Please bring a copy of the following Mortgage Guidelines to your lender. As a reminder the Guidelines are:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyer's monthly income for the mortgage.
6. Non-household members shall not be permitted as co-signers of the mortgage.

Return all documentation, mortgage pre-approval, application and affidavit and disclosure form to:

Harborlight Community Partners

P.O. Box 507

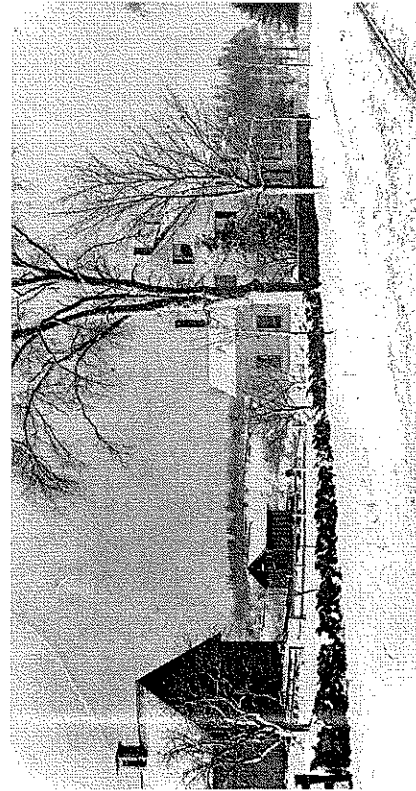
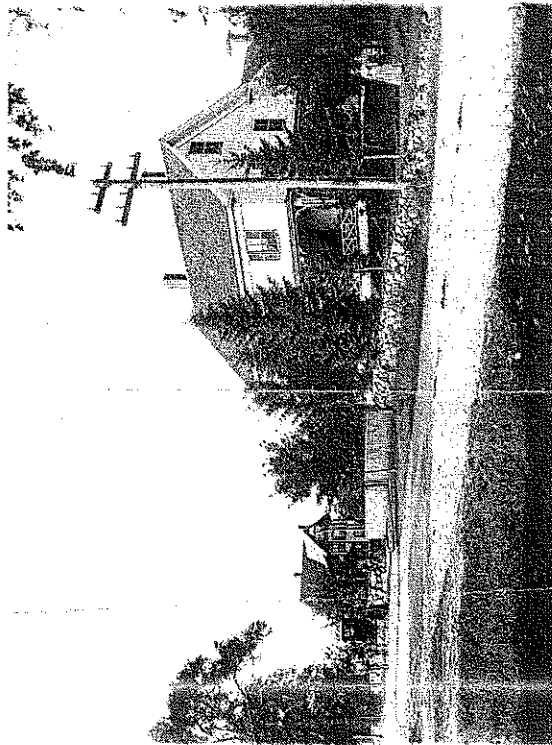
Beverly, MA 01915

Drop Off: 283 Elliott Street, Beverly, MA

Email: information@harborlightcp.org



Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.




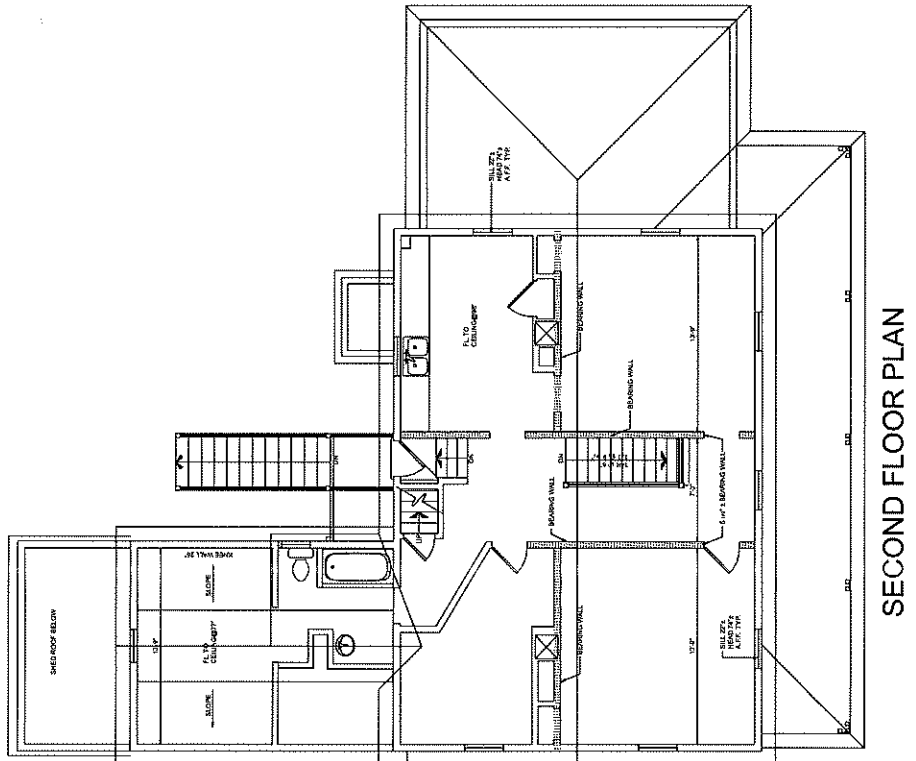
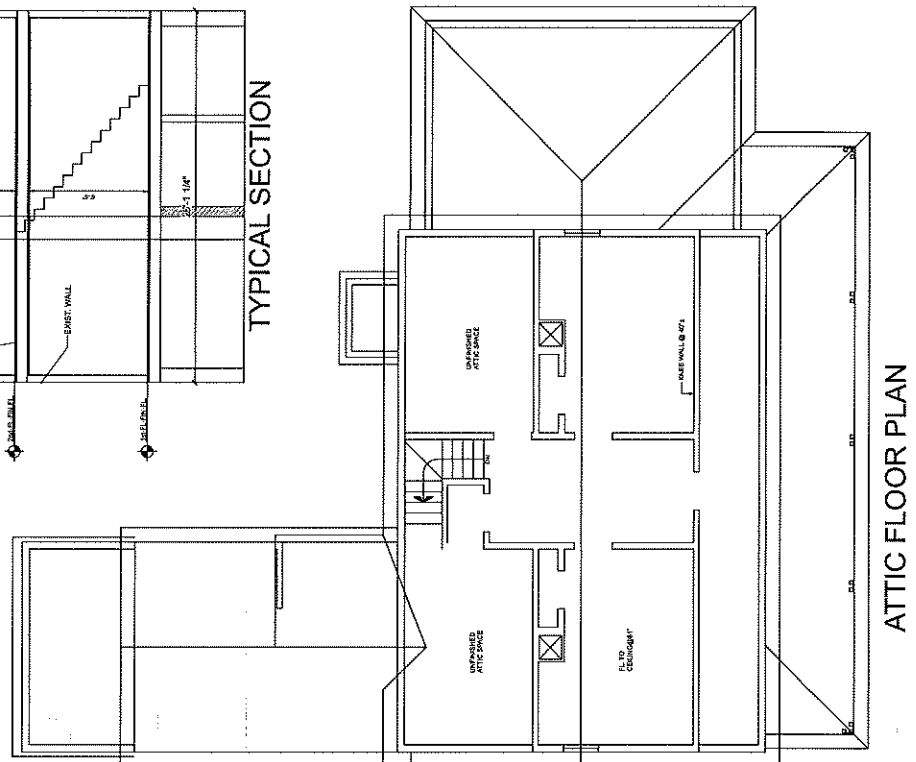
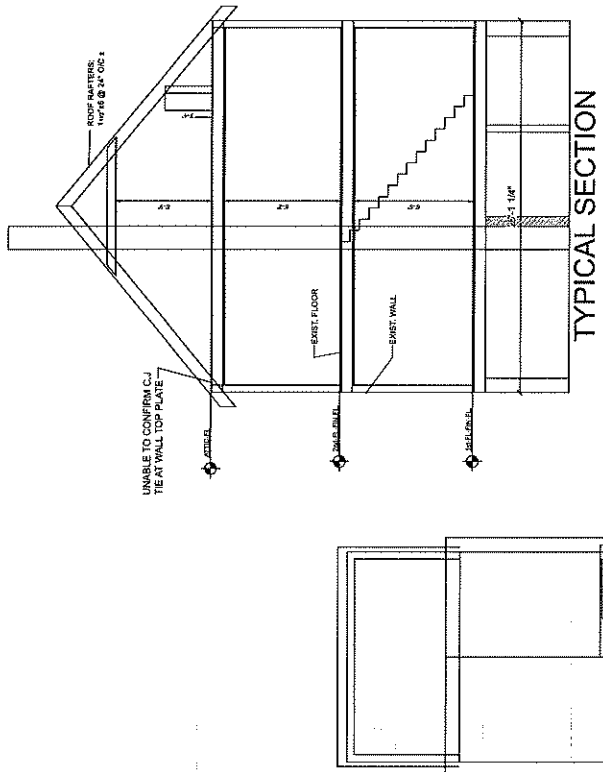
Ladyette, Bachelorette, House and Home, 1994, Westham, MA
A January mailer titled "Love and Home" from Westham, MA, is a 12-page "Bachelorette" book. Between the text and house are the words of the house to follow a couple that is built from the two Westham Ladies for House to the Eastern MA. It is heading to Boston. The House is still standing, and on the same side of the street as the Westham Club, which opened in 1974.

WENHAM HISTORIC COMMISSION
SUBMITTAL
55-60 MAIN STREET
WENHAM, MA

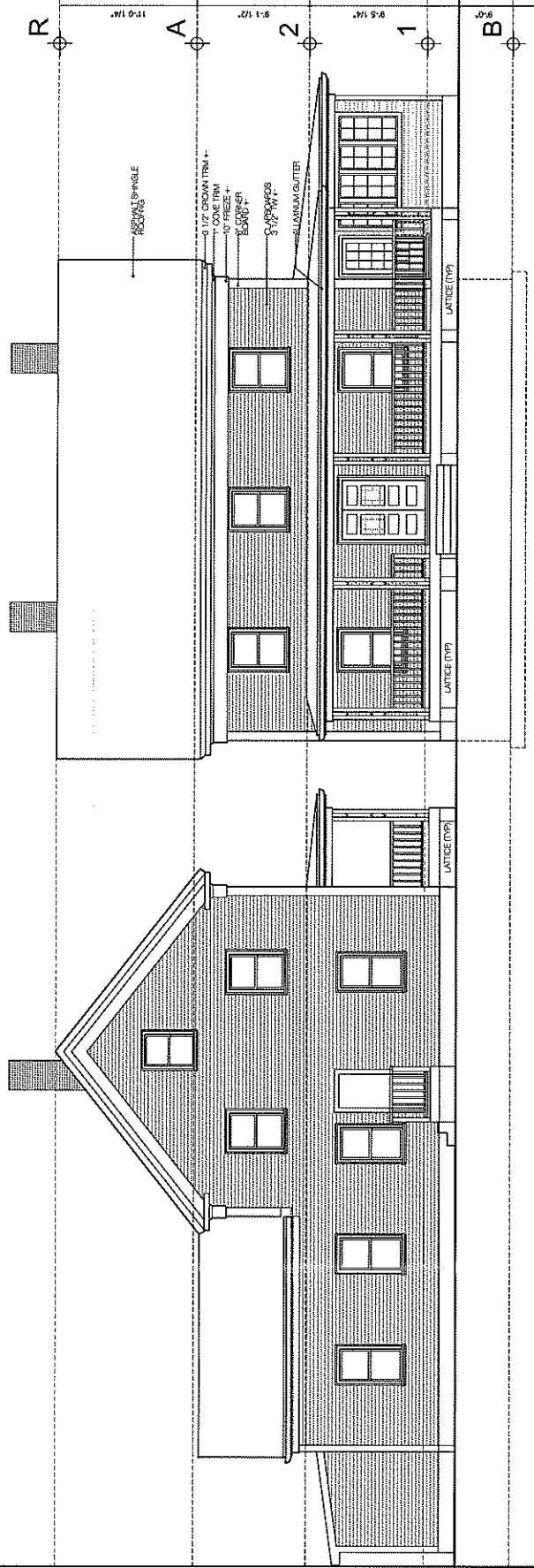
- | | |
|------|---------------------|
| X1 | EXISTING CONDITIONS |
| X2 | PROPOSED SITE PLAN |
| H-E1 | EXISTING FLOOR PLAN |
| H-E2 | EXISTING FLOOR PLAN |
| H-E3 | EXISTING ELEVATIONS |
| H-E4 | EXISTING ELEVATIONS |
| H-A1 | PROPOSED FLOOR PLAN |
| H-A2 | PROPOSED ELEVATIONS |
| H-A3 | PROPOSED ELEVATIONS |
| H-A4 | PROPOSED DETAILS |
| H-A5 | PROPOSED GARAGE |
| H-A6 | EXISTING PHOTOS |

DATED 7.11.16

PROJECT:	WENHAM PINES									
56-00 Main Street Wenham, Massachusetts 01984										
ARCHITECT:	WENHAM PINES, LLC									
OWNER:	ESTATE OF WILLIAM J. FLYNN									
6 Kimball Lane Lynnfield, Massachusetts 01940										
GRAZADO VELLECO ARCHITECTS, Inc.										
10 DOAKS LANE MARBLEHEAD, MA 01945 1 781 631 4949										
										
<table border="1"> <tr> <td>DATE</td> <td>BY</td> <td>DESCRIPTION</td> </tr> <tr> <td>7/13/18</td> <td>WJF</td> <td>ISSUED FOR PERMIT</td> </tr> <tr> <td>7/27/18</td> <td>WJF</td> <td>FOR REVIEW</td> </tr> </table>	DATE	BY	DESCRIPTION	7/13/18	WJF	ISSUED FOR PERMIT	7/27/18	WJF	FOR REVIEW	
DATE	BY	DESCRIPTION								
7/13/18	WJF	ISSUED FOR PERMIT								
7/27/18	WJF	FOR REVIEW								
COVER AND LIST OF DRAWINGS										
SHEET NO. TOTAL SHEETS PROJECT NO.	H-C									




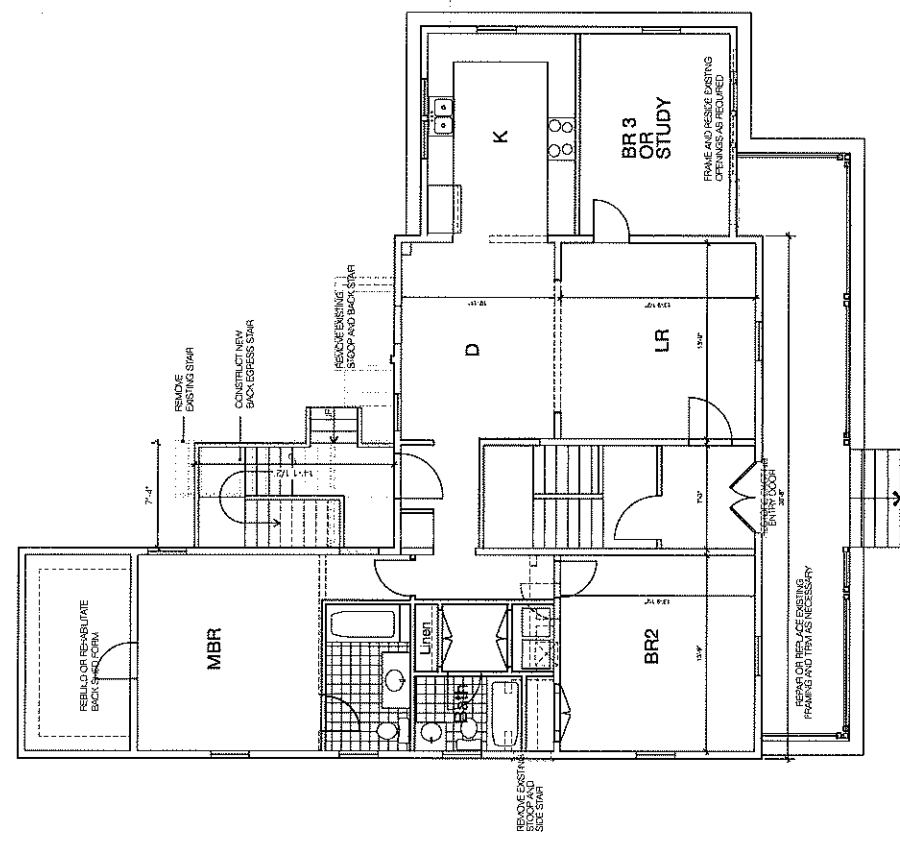
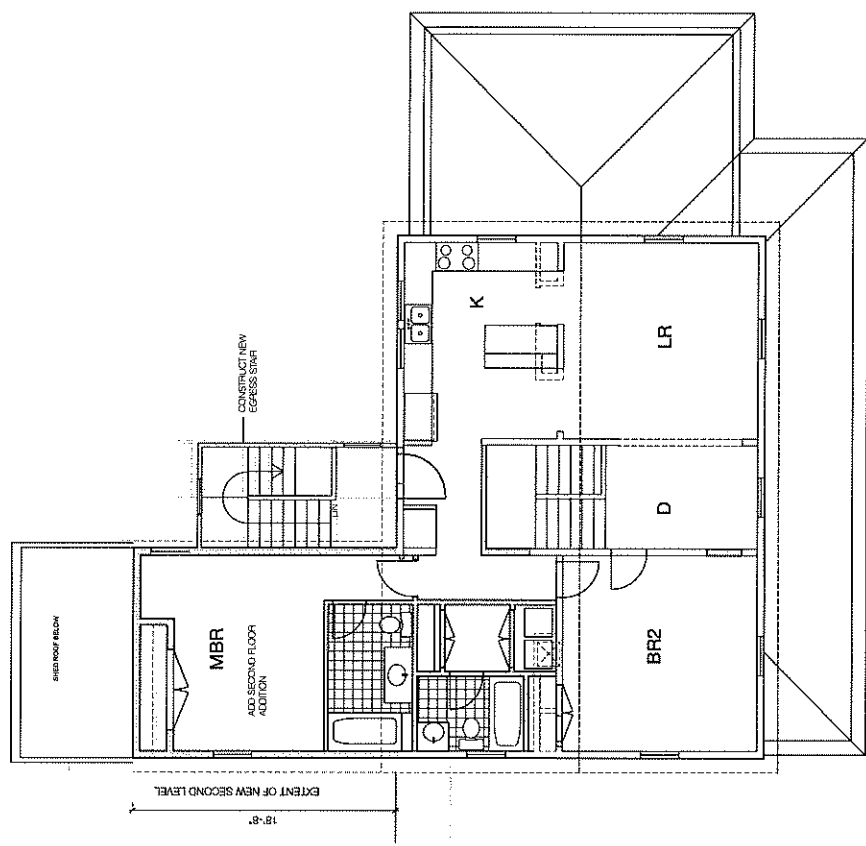
PROJECT WENHAM PINES	51-60 Main Street Wenham, Massachusetts 01984	ARCHITECT WENHAM PINES, LLC	OWNER ESTATE OF WILLIAM J. FLYNN 6 Kipahall Lane Lynnfield, Massachusetts 01940	DESIGNED BY GRAZADO VELLECO ARCHITECTS, Inc.	10 DOAKS LANE MARBLEHEAD, MA 01945 1.781.631.4949		DATE 10/1/14	BY G.V.	SCALE AS SHOWN	HISTORIC HOME EXISTING NORTH AND WEST ELEVATIONS	SHEET H-E3 OF
------------------------------------	--	---	---	--	---	---	-----------------	------------	-------------------	---	--------------------------------




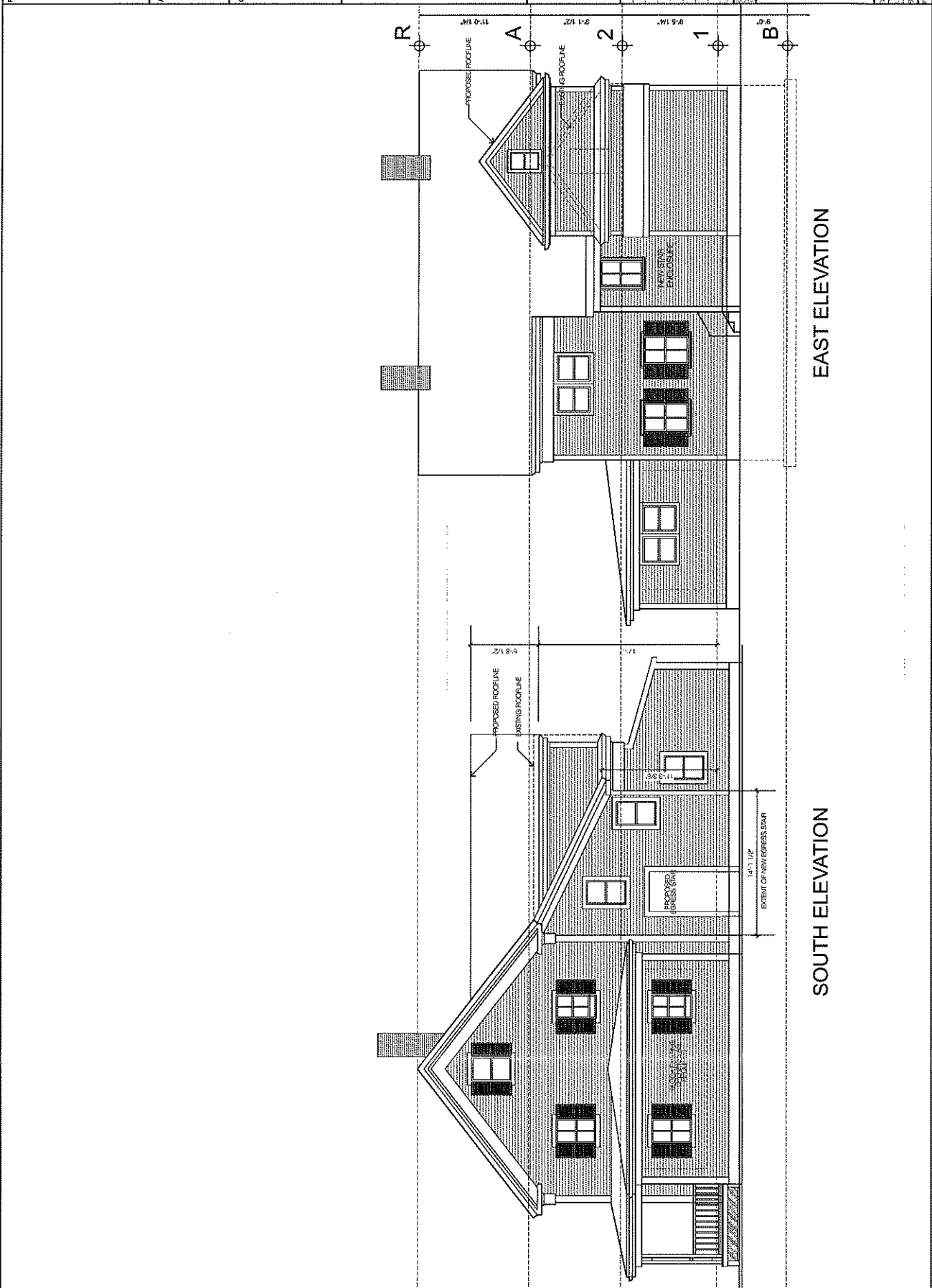
WEST ELEVATION

NORTH ELEVATION

PROJECT WENHAM PINES	56-00 Main Street Wenham, Massachusetts 01984	OWNER WENHAM PINES, LLC	OWNER ESTATE OF WILLIAM J. FLYNN 6 Kimball Lane Lynnfield, Massachusetts 01940	ARCHITECT GRAZADO VELLECO ARCHITECTS, Inc.	10 DOAKS LANE MARBLEHEAD, MA 01945 1.781.631.9949		<table border="1"> <tr><td>DATE</td><td>11.13.18</td></tr> <tr><td>BY</td><td>JAV</td></tr> <tr><td>CHECKED</td><td>JAV</td></tr> <tr><td>SCALE</td><td>AS SHOWN</td></tr> </table>	DATE	11.13.18	BY	JAV	CHECKED	JAV	SCALE	AS SHOWN	HISTORIC HOME PROPOSED FLOOR PLANS	<table border="1"> <tr><td>NO.</td><td>1</td></tr> <tr><td>REV.</td><td></td></tr> <tr><td>DATE</td><td></td></tr> <tr><td>BY</td><td></td></tr> <tr><td>CHECKED</td><td></td></tr> </table>	NO.	1	REV.		DATE		BY		CHECKED	
	DATE							11.13.18																			
BY	JAV																										
CHECKED	JAV																										
SCALE	AS SHOWN																										
NO.	1																										
REV.																											
DATE																											
BY																											
CHECKED																											
PERIOD	11.13.18																										




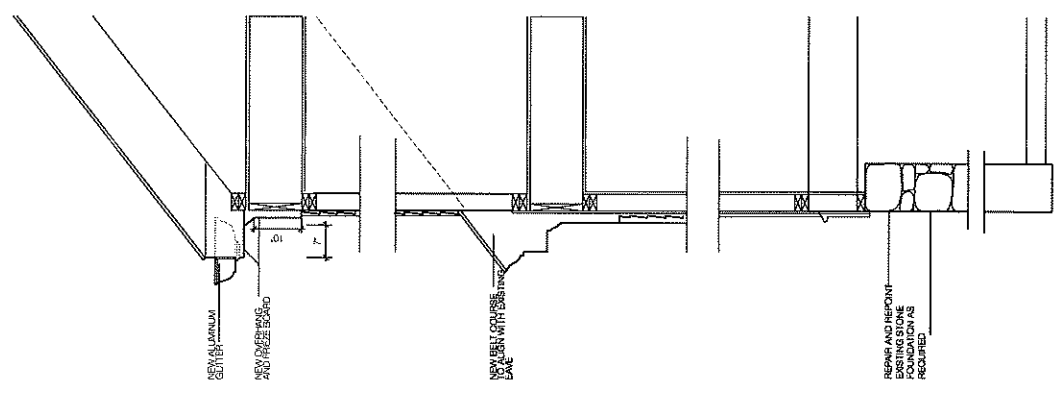
PROJECT WENHAM PINES		56-60 Main Street Wenham, Massachusetts 01984								
APPLICANT WENHAM PINES, LLC		6 Kimball Lane Lynnfield, Massachusetts 01940								
OWNER ESTATE OF WILLIAM J. FLYNN		10 DOAKS LANE MARBLEHEAD, MA 01945 1 781 631 4949								
ARCHITECT GRAZADO VELLECO ARCHITECTS, Inc.										
<table border="1"> <tr> <td>DATE:</td> <td>2.11.18</td> </tr> <tr> <td>BY:</td> <td>WJV</td> </tr> <tr> <td>CHECKED BY:</td> <td>WJV</td> </tr> <tr> <td>SCALE:</td> <td>AS SHOWN</td> </tr> </table>			DATE:	2.11.18	BY:	WJV	CHECKED BY:	WJV	SCALE:	AS SHOWN
DATE:	2.11.18									
BY:	WJV									
CHECKED BY:	WJV									
SCALE:	AS SHOWN									
HISTORIC HOME PROPOSED SOUTH AND EAST ELEVATIONS										
<table border="1"> <tr> <td>DATE:</td> <td>2.11.18</td> </tr> <tr> <td>BY:</td> <td>WJV</td> </tr> <tr> <td>CHECKED BY:</td> <td>WJV</td> </tr> <tr> <td>SCALE:</td> <td>AS SHOWN</td> </tr> </table>			DATE:	2.11.18	BY:	WJV	CHECKED BY:	WJV	SCALE:	AS SHOWN
DATE:	2.11.18									
BY:	WJV									
CHECKED BY:	WJV									
SCALE:	AS SHOWN									
H-A3										



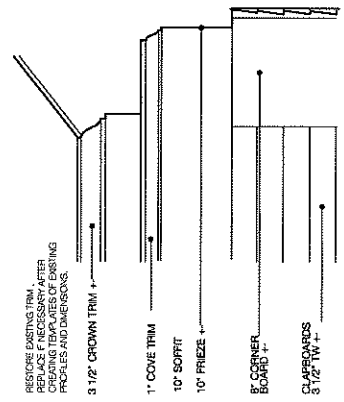
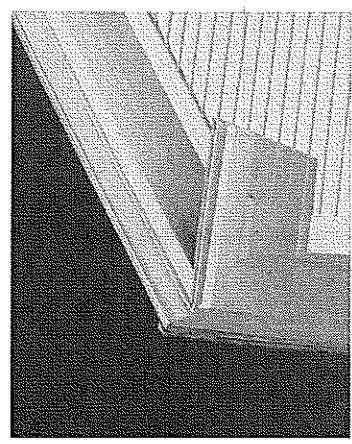
EAST ELEVATION

SOUTH ELEVATION

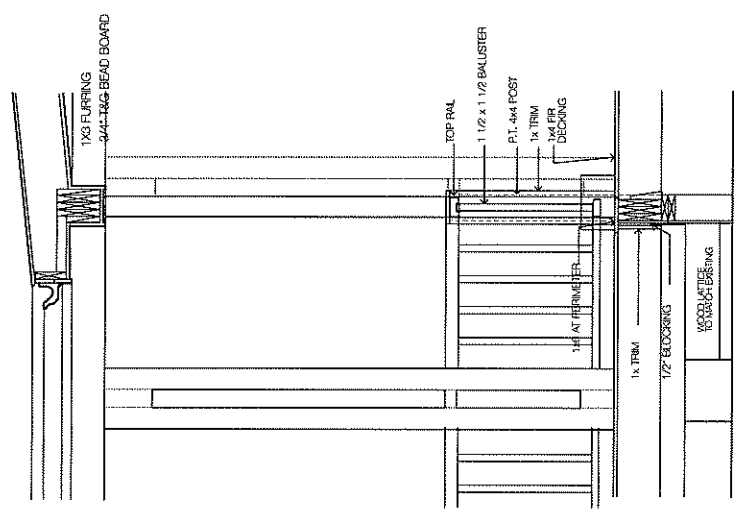
PROJECT WENHAM PINES 56-60 Main Street Wenham, Massachusetts 01984	APPLICANT WENHAM PINES, LLC	OWNER ESTATE OF WILLIAM J. FLYNN 6 Kimball Lane Lynnfield, Massachusetts 01940	ARCHITECT GRAZADO VELLECO ARCHITECTS, INC.	ADDRESS 10 DOAKS LANE MARLBOROUGH, MA 01745 781.651.4949		DATE 11/11/2023 SCALE AS NOTED BY WJV CHECKED BY WJV	HISTORIC HOME PROPOSED DETAILS	H-A4
---	--	---	---	--	--	---	---------------------------------------	-------------




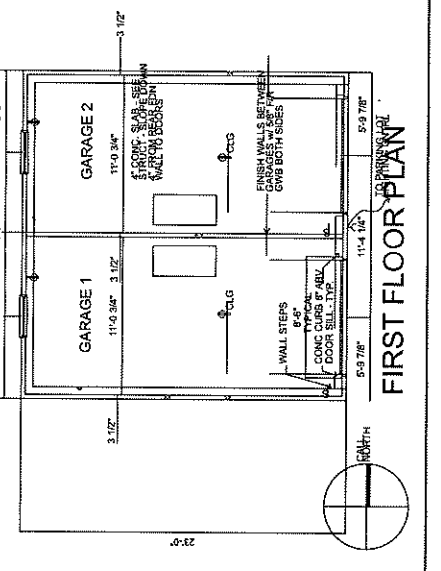
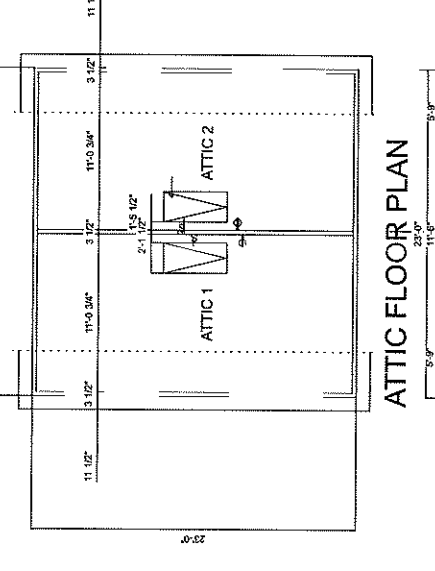
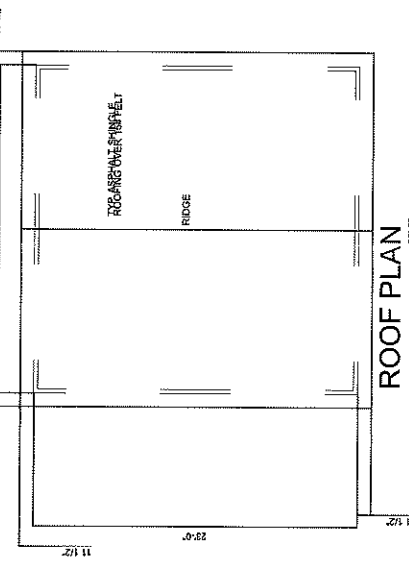
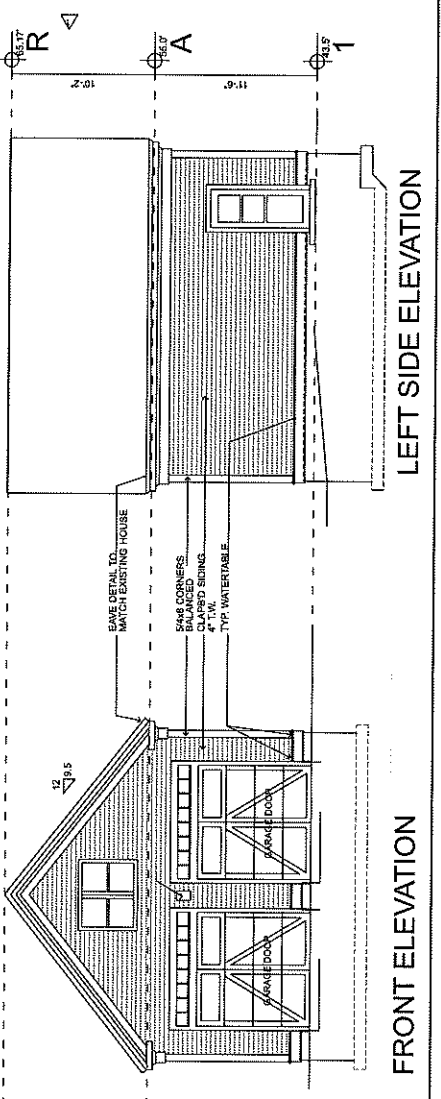
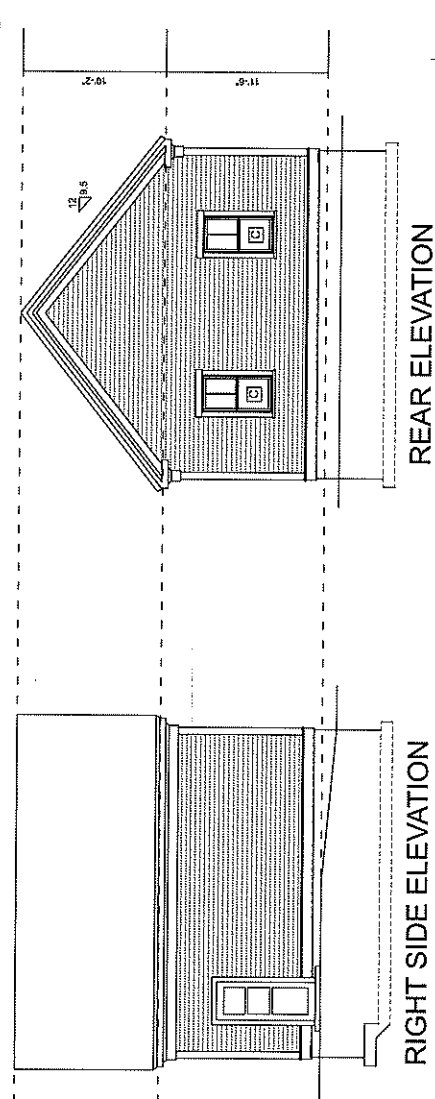
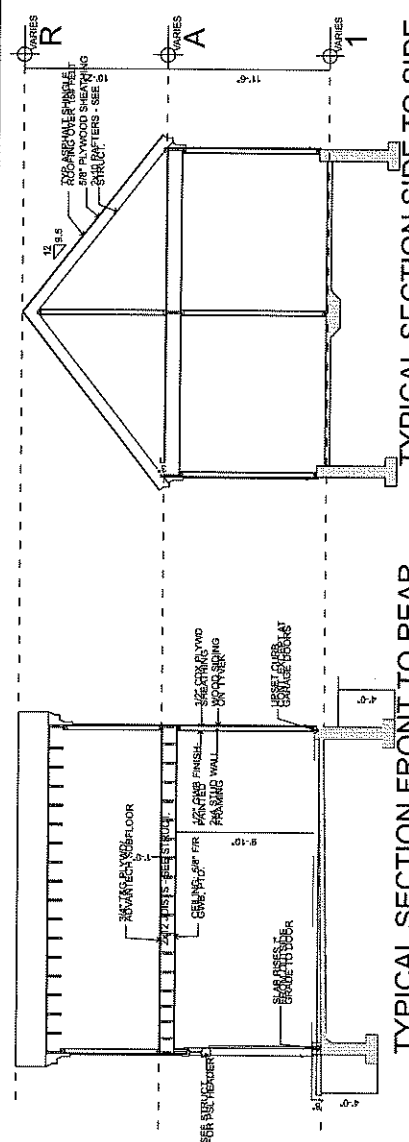
WALL SECTION DETAIL
 @ NORTH WING
 VERTICAL ADDITION
 Scale 1"=1'-0"



TYPICAL OVERHANG
 NOTES
 Scale 1 1/2"=1'-0"



PROJECT WENHAM PINES 56-40 Main Street Wenham, Massachusetts 01984 ARCHITECT WENHAM PINES, LLC	OWNER ESTATE OF WILLIAM J. FLYNN 6 Kimball Lane Lynnfield, Massachusetts 01940 GENERAL CONTRACTOR GRAZIANO VELLECO ARCHITECTS, INC. 10 DOAKS LANE MARBLEHEAD, MA 01945 1/781.681.8949		PROPOSED GARAGE at HISTORIC HOME H-A5
---	---	---	--



BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

F.

**Discussion of Proposed Composition of Town
Administrator Screening Committee**

(10 minutes)

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

G.

**Review and Potential Approval of Interim Town
Administrator Employment Agreement**

(5 Minutes)

- Draft Motion
- Draft Agreement of Interim Town Administrator between the Town of Wenham and John D. Petrin

BOARD OF SELECTMEN MEETING

March 19, 2019

DRAFT MOTION

Interim Town Administrator Employment Agreement

- Vote: I move the Board of Selectmen approve the employment agreement with John Petrin as Interim Town Administrator for the Town of Wenham, effective March 19, 2019 according to the terms and conditions outlined in the contract.

Seconded / Discussion/ Vote

MEMORANDUM OF AGREEMENT INTERIM TOWN ADMINISTRATOR

Agreement made as of _____, 2019 between the Town of Wenham ("Town") as represented by its Board of Selectmen and John D. Petrin ("Mr. Petrin")

WHEREAS, MGL Ch. 41 Sec. 108N authorizes the Board to establish an employment contract for an Interim Town Administrator for a period of time, to provide for salary, fringe benefits, and other conditions of employment; and,

WHEREAS, the Town seeks to employ the services of Mr. Petrin as Interim Town Administrator on a part time, hourly basis under the terms set forth below; and,

WHEREAS, Mr. Petrin wishes to serve as Interim Town Administrator under such terms;

NOW THEREFORE, the Town and Mr. Petrin agree as follows:

I. TERM

The term of this Agreement ("Term") shall begin on April 22, 2019 and end the earlier of September 30, 2019 or the effective start date of the permanent Town Administrator. This Agreement shall continue to remain in effect until either party notifies the other, in writing, of its intent to terminate the Agreement. Said notification shall be made no less than twenty-one (21) days in advance of termination. This agreement may be renewed in (thirty) 30 day increments with the written approval of both parties.

II. DUTIES AND RESPONSIBILITIES

A. During the term of this Agreement, the Interim Town Administrator shall be responsible for day-to-day administration of the Town's affairs, subject to the direction of the Board of Selectmen.

B. Mr. Petrin shall diligently, faithfully, and competently perform the above referenced duties and responsibilities, as well as responsibilities required or imposed upon him in accordance with the laws and regulations of the Commonwealth; Town policies, Directives of the Board of Selectmen, and the provisions of this Agreement.

III. HOURS OF WORK

A. Between the date of this agreement and April 12, 2019, at mutually agreed dates and times, Mr. Petrin will work in Wenham with Mr. Lombardi (Present Town Administrator) to ensure a smooth transition between the Present and Interim Town Administrator). During the Transition Period, Mr. Petrin will be compensated at the rate set forth in Section IV.

B. Mr. Petrin agrees to devote the amount of time and energy during the Town's normal business hours which is reasonably necessary to faithfully perform the duties of his position as Interim Town Administrator of the Town, with the expectation that he will work a set schedule of approximately 25 hours a week, with at least (three) 3 days a week in the office. It is further understood that Mr. Petrin also shall attend meetings of the Board and other designated Committees as required or necessitated for the proper performance of his duties and functions, subject to the other provisions of this Agreement. Notwithstanding the foregoing, it is agreed that Mr. Petrin may devote substantial time outside of the Town's normal business hours to performing his duties, and to this end Mr. Petrin shall be permitted to adjust his work schedule as he shall deem appropriate during said normal business hours, provided that the business of the Town is not adversely affected by any such adjustment in Mr. Petrin's work schedule. If Mr. Petrin will be absent from work for a full day for any reason, he shall provide advance notification to Board, if possible.

C. Mr. Petrin agrees to devote full time and attention to the business of the Town and will not engage in any other business during office hours (as described in Section III.B), except with the approval of the Board. Notwithstanding the foregoing, Mr. Petrin may, on a part-time basis, perform consulting duties directly related to the profession of municipal management, provided that such part-time consulting duties are not carried out in communities surrounding Wenham and do not constitute a conflict of interest under the terms of Chapter 268A of the Massachusetts General Laws (the "Conflict of Interest Law"). Further, Mr. Petrin shall not participate in any such consulting capacity in the executive recruitment of the Permanent Wenham Town Administrator.

IV. COMPENSATION

In consideration of Mr. Petrin's faithful, diligent and competent performance of his duties as Interim Town Administrator, as provided in this Agreement, the Town agrees to pay Mr. Petrin on an hourly basis for services rendered at a rate of \$80/hour, payable in bi-weekly installments at the same time as other employees of the Town are paid. Mr. Petrin's hourly rate shall not be decreased during the Term of this Agreement.

V. BENEFITS

Except as provided in this Agreement, Mr. Petrin shall not be eligible for any other employee benefits provided by the Town.

A. The Town shall appropriately compensate Mr. Petrin for the use of his own personal cellular phone as used in the course of his duties as Interim Town Administrator.

B. The Board understands that Mr. Petrin has previously scheduled vacation time the weeks of July 1-7 and September 12-22 and therefore will not be compensated for those weeks.

C. The Board hereby agrees to provide reasonable funds that Mr. Petrin can use at his discretion for legitimate business expenses including, but not limited to, attendance at civic events attended in the performance of his official duties as interim Town Administrator, official meetings and customary office expenses. Mr. Petrin shall submit reasonable and customary supporting documentation for any and all such legitimate business expenses. The amount of funds available for this purpose shall not exceed the amount appropriated by the Town for such expenses

VI. INDEMNIFICATION

A. The Town shall defend, save harmless, and indemnify Mr. Petrin against any tort, professional liability, claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of his duties as Interim Town Administrator, even if said claim has been made following his termination from employment, provided that Mr. Petrin acted in good faith within the scope of his duties. The Town shall pay the amount of any settlement or judgment rendered thereon. The Town may compromise and settle any such claim or suit and will pay the amount of any settlement or judgment rendered thereon without recourse to Mr. Petrin.

B. The Town shall reimburse Mr. Petrin for any attorneys' fees and costs incurred by him in connection with such claims or suits involving the Interim Town Administrator in his professional capacity.

C. This indemnification shall also apply to Mr. Petrin after he leaves the employment of the Town.

D. Article VI of this Agreement shall survive any termination of this Agreement.

VII. SEVERABILITY

If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

VIII. ENTIRE AGREEMENT

This Agreement embodies the whole Agreement between the Town and Mr. Petrin. This Agreement supersedes any and all prior Agreements or understandings of the parties. This Agreement may not be changed except by agreement in writing, signed by all parties.

Catherine Harrison, Select Chair

Date

John D. Petrin, Interim Town Administrator

Date

John Clemenzi, Select Vice Chair

Date

Jack Wilhelm, Select Clerk

Date

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

H.

**Review and Potential Approval of FY20-22
Collective Bargaining Agreements Between
Town and AFSCME Council 93, Local 2905
and Wenham Call Firefighters Association**

(15 Minutes)

- Draft Motions
- Memo regarding AFSCME Council 93, Local 2905 FY20-22 Contract Negotiations from Peter Lombardi, Town Administrator, March 11, 2019
- Memo regarding Wenham Call Firefighters Association FY20-22 Contract Negotiations from Peter Lombardi, Town Administrator, March 11, 2019

BOARD OF SELECTMEN MEETING

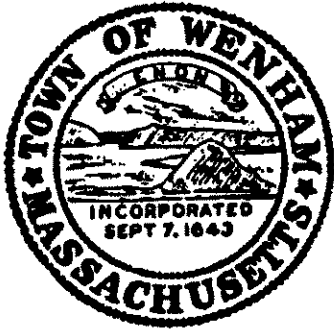
March 19, 2019

DRAFT MOTION

AFSCME, Council 93, Local 2905

- Vote: I move to approve the AFSCME three-year contract for FY20-FY22 to include cost of living increases of 2% for FY20, 1% on July 1, 2020 and 1% on January 1, 2021, 1% on July 1, 2021 and 1% on January 1, 2022 and according to the terms as otherwise indicated in the memo dated March 11, 2019 from Town Administrator Peter Lombardi.

Seconded / Discussion/ Vote



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM OF AGREEMENT

RE: FY20-22 Contract Negotiations
DATE: March 11, 2019

The following are changes to the Agreement between the Town of Wenham and AFSCME Council 93, Local 2905 for FY20-22 that have been tentatively agreed to, subject to a union ratification vote and approval by the Board of Selectmen:

1. Article 8: Extra Time, Overtime, Call Back, Standby Pay (pages 10-12)
 - Provide half-time comp time to DPW employees when Town Hall is closed
 - Increase weekly sanding stand-by stipend by \$25, from \$175 to \$200
 - Increase plowing meal allowance by \$5, from \$10 to \$15
2. Article 12: Sick Leave (pages 15-16)
 - Allow up to 5 sick days/year for "family sick leave", including doctor's appointments for family members with proof of appointment. Does not increase monthly sick leave accrual
 - Add new Section 6 (Sick Leave Bank) that reflects existing Town policy for non-union employees and include 1 AFSCME member on Sick Leave Bank Committee
3. Article 15: Vacations (pages 17-19)
 - Increase amount of vacation for employees with 20+ years of service from 4 weeks and 1 day to 4 weeks and 1 day for every year in excess of 20 years (ie. 4 weeks and 2 days for 22 years of service, etc) up to 5 week total cap (at 25 years of service)
4. Article 24: License Reimbursement
 - Town shall pay for continuing education all hydraulic licenses (even if they are not required)

5. Article 33: Miscellaneous (pages 25-27)

- Employees may opt to use their own physician at the Town's expense for DOT physicals at the Town Administrator's discretion, not to be unreasonably withheld
- Establish one (1) hour minimum pay plus one (1) bonus hour for the two (2) responding firefighters who provide EMS transport to a medical call initiated between the hours of 3PM and 10PM and three (3) hour minimum pay plus one (1) bonus hour for the two (2) responding firefighters who provide EMS transport initiated between the hours of 10PM and 7AM. Although the Department's standard protocol is for two (2) firefighters to conduct EMS transport on any given call, any additional responding firefighters who provide said transport for extenuating circumstances shall be similarly compensated.

6. Appendix A: Wage and Classification Tables (pages 28-29)

- Adjust wage scale to account for the following annual COLA increases:
 - FY20: 2%
 - FY21: 1% on July 1, 2020 and 1% on January 1, 2021
 - FY22: 1% on July 1, 2021 and 1% on January 1, 2022

BOARD OF SELECTMEN MEETING

March 19, 2019

DRAFT MOTION

Wenham Call Firefighters Association

- Vote: I move to approve the Wenham Call Firefighters Association three-year contract for FY20 - FY22 to include cost of living increases of 2% for FY20, 2% for FY21, and 2% for FY22 and according to the terms as otherwise indicated in the memo dated March 11, 2019 from Town Administrator Peter Lombardi.

Seconded / Discussion/ Vote



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM OF AGREEMENT

RE: FY20-22 Contract Negotiations
DATE: March 11, 2019

The following are changes to the Agreement between the Town of Wenham and Wenham Call Firefighters Association for FY20-22 that have been tentatively agreed to, subject to a union ratification vote and approval by the Board of Selectmen:

1.) Article 9: Compensation

- COLAs – FY20 2% / FY21 2% / FY22 2% + increase EMT differential by .5% each year (FY20 5% / FY21 5.5% / FY22 6%)
- Increase annual Lieutenant stipend by \$250 from \$3250 to \$3500 effective FY20

2.) Article 10: Medical Calls

- All current call firefighters will be full members of the medical team effective July 1, 2019. All current members must attain their EMT certification by June 30, 2021 or they will lose their medical team status. Also effective July 1, 2019, all new hires will be members of the medical team and will have 2 years from the date of hire to attain their EMT certification or they will lose their medical team status. Members who fail to attain their EMT certification within these timeframes based on extenuating circumstances will be allowed to petition the Town Administrator for an extension based on the recommendation of the Fire Chief. The determination of the Town Administrator on any such petitions shall be binding.
- Change ambulance transport hours from 2 hour workday minimum and 4 hour overnight minimum back to 1 and 3 respectively, but add 1 hour of bonus time to each.
- Policy that has been in place since 2008 ensuring that members receive credit for attendance to calls that occur while in EMT class or in Firefighter I/II class will be incorporated into contract.

- Pay FFs in 15 minute increments to respond to 2nd call after release but before medical call has been closed out.

3.) Article 11: Extra Pay Details

- Increase Town detail rate by \$22/hr from \$26 to \$48 and change from 4+4 to 4 hour minimum with hour-for-hour thereafter
- Increase Private detail rate by \$5/hr from \$48/hr to \$53/hr

Peter Lombardi, Town Administrator

Gary Blaney, Wenham Call Firefighters

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

I.

Audit Committee Report on FY18 Audit Results and Discussion on Selection Process for FY20-22 Auditor Contract Services Agreement

(10 Minutes)

- Letter to the Board of Selectmen regarding FY 2018 Audit Report for the Town of Wenham from Powers & Sullivan, LLC, February 25, 2019
- Letter to the Audit Committee regarding FY 2018 Audit Report for the Town of Wenham from Powers & Sullivan, LLC, February 25, 2019
- FY 2018 Audit Report, Powers & Sullivan, LLC
- Letter of Agreement for Audit Services from FY17-19 Between the Town of Wenham and Powers & Sullivan, LLC, November 1, 2016
- Proposed Letter of Agreement for Audit Services from FY20-22 Between the Town of Wenham and Powers & Sullivan, LLC, February 25, 2019



100 Quannapowitt Parkway
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Selectmen
Town of Wenham, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wenham, Massachusetts, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Wenham, Massachusetts' basic financial statements, and have issued our report thereon dated February 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wenham, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wenham, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wenham, Massachusetts' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wenham, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Bowers & Sullivan LLC". The signature is fluid and cursive, with the company name written in a stylized manner.

February 25, 2018

Powers & Sullivan, LLC

Certified Public Accountants



100 Quannapowitt Parkway
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

February 25, 2019

To the Audit Committee of the
Town of Wenham, Massachusetts

We have audited the financial statements of Town of Wenham, Massachusetts for the year ended June 30, 2018 and have issued our report thereon dated February 25, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about Town's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on Town's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Town's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Town of Wenham, Massachusetts are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal 2018.

We noted no transactions entered into by the Town during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were the calculation of the net pension liability, postemployment benefits, and depreciation of fixed assets.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements are contained in footnotes for the pension plan and other postemployment benefits plan.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Town of Wenham, Massachusetts' financial reporting process (that is, cause future financial statements to be materially misstated).

We are pleased to report that no such adjustments were required.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

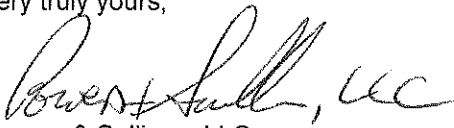
To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management during the year and prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Audit Committee of the Town of Wenham, Massachusetts, and management of Town of Wenham, Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


Powers & Sullivan, LLC

TOWN OF WENHAM, MASSACHUSETTS

***REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS***

YEAR ENDED JUNE 30, 2018

TOWN OF WENHAM, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

TABLE OF CONTENTS

Independent Auditor's Report.....	1
Management's Discussion and Analysis	3
Basic Financial Statements	10
Statement of net position	11
Statement of activities	12
Governmental funds – balance sheet	14
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position	15
Governmental funds – statement of revenues, expenditures and changes in fund balances	16
Reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balance to the statement of activities	17
Proprietary funds – statement of net position	18
Proprietary funds – statement of revenues, expenses, and changes in net position	19
Proprietary funds – statement of cash flows	20
Fiduciary funds – statement of fiduciary net position.....	21
Fiduciary funds – statement of changes in fiduciary net position	22
Notes to basic financial statements	23
Required Supplementary Information.....	53
Budgetary Comparison Schedules	54
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual.....	55
Schedule of revenues, expenditures and changes in fund balance – community preservation fund – budget and actual.....	56
Pension Plan Schedules	57
Schedule of the Town's proportionate share of the net pension liability	58
Schedule of contributions	59
Other Postemployment Benefit Plan Schedules.....	60
Schedule of changes in the Town's net OPEB liability and related ratios	61
Schedule of Town contributions	62
Schedule of investment returns.....	63
Notes to required supplementary information.....	64

This page intentionally left blank.



100 Quannapowitt Parkway
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Wenham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wenham, Massachusetts, as of and for the year ended June 30, 2018, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wenham, Massachusetts, as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019, on our consideration of the Town of Wenham's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wenham's internal control over financial reporting.



February 25, 2019

Management's Discussion and Analysis

Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and deferred outflows and liabilities and deferred inflows, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, community preservation, and interest. The Town's business-type activities relate to the water activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town adopts annual appropriated budgets for its general fund and community preservation fund. Budgetary comparison schedules have been provided as required supplementary information after the notes to the financial statements to demonstrate compliance with these budgets.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town maintains one proprietary fund to account for its water activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town maintains an Other Postemployment Benefits Trust fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's budgetary basis of accounting as well as pension and other postemployment benefits obligations.

Government-wide Financial Analysis

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's governmental assets and deferred outflows exceeded liabilities and deferred inflows by \$6.0 million at the close of 2018. Key components of the Town's governmental financial position are listed below.

	2018	2017 (As Revised)
Assets:		
Current assets.....	\$ 9,544,993	\$ 9,148,166
Noncurrent assets (excluding capital).....	-	35,064
Capital assets.....	12,782,564	12,874,665
Total assets.....	22,327,557	22,057,895
Deferred outflows of resources:		
Deferred outflows related to pensions.....	1,050,194	769,746
Deferred outflows related to other postemployment benefits...	294,612	191,732
Total deferred outflows of resources.....	1,344,806	961,478
Liabilities:		
Current liabilities (excluding debt).....	313,309	225,233
Noncurrent liabilities (excluding debt).....	12,902,461	12,297,280
Current debt.....	890,167	641,680
Noncurrent debt.....	3,036,671	3,681,838
Total liabilities.....	17,142,608	16,846,031
Deferred inflows of resources:		
Deferred inflows related to pensions.....	519,833	195,061
Net position:		
Net investment in capital assets.....	8,855,726	8,647,434
Restricted.....	5,069,182	5,261,265
Unrestricted.....	(7,914,986)	(7,930,418)
Total net position.....	\$ 6,009,922	\$ 5,978,281

Net position of \$8.9 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A restricted portion of the net position totaling \$5.1 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* has a year-end deficit of \$7.9 million. The Town was required to implement the provisions of the Governmental Accounting Standards Board Statement #68, Accounting and Financial Reporting for Pensions. As a member unit of the Essex Regional Retirement System, the Town is required to report its proportionate share of the net pension liability and related deferred inflows/outflows.

The governmental activities of the Town are detailed below. The governmental activities net position increased by \$32,000 during the current year which is primarily due to capital grants of \$854,000 offset by increases in the net pension liability, deferred inflows/outflows and other postemployment benefits liability due to the implementation of GASB #75.

	2018	2017 (As Revised)
Program Revenues:		
Charges for services.....	\$ 1,500,982	\$ 1,370,103
Operating grants and contributions.....	224,409	225,214
Capital grants and contributions.....	853,760	241,835
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	14,932,090	14,299,943
Motor vehicle and other excise taxes.....	791,649	737,053
Community preservation tax.....	357,863	341,945
Grants and contributions not restricted to specific programs.....	459,883	425,522
Unrestricted investment income.....	36,790	18,443
Miscellaneous.....	74,127	71,137
Total revenues.....	19,231,553	17,731,195
Expenses:		
General government.....	1,914,779	2,143,277
Public safety.....	3,835,750	4,718,329
Education.....	9,363,100	8,916,867
Public works.....	2,259,962	2,109,505
Health and human services.....	216,375	283,472
Culture and recreation.....	1,387,909	1,802,311
Community preservation.....	123,300	546,729
Interest.....	98,737	114,038
Total expenses.....	19,199,912	20,634,528
Change in net position.....	31,641	(2,903,333)
Net position, beginning of year (as revised).....	5,978,281	8,881,614
Net position, end of year.....	\$ 6,009,922	\$ 5,978,281

Business-type Activities

The Town's business-type activities reflect the operations of the Town's water enterprise fund. Business-type assets exceeded liabilities by \$1.5 million at the close of 2018. The following table identifies key elements of the net position of the Town's business-type activities.

	2018	2017
Assets:		
Current assets.....	\$ 467,399	\$ 390,429
Capital assets.....	1,241,185	1,340,860
Total assets.....	1,708,584	1,731,289
Liabilities:		
Current liabilities (excluding debt).....	831	3,490
Noncurrent liabilities (excluding debt).....	6,481	6,348
Current debt.....	75,000	116,000
Noncurrent debt.....	75,000	150,000
Total liabilities.....	157,312	275,838
Net position:		
Net investment in capital assets.....	1,106,295	1,089,970
Unrestricted.....	444,977	365,481
Total net position.....	\$ 1,551,272	\$ 1,455,451

The Town's business-type activities net position increased by \$96,000 during the current year. The results reflect the Town's intention to recover its costs of operations through rates.

	2018	2017
Program Revenues:		
Charges for services.....	\$ 500,637	\$ 456,096
General Revenues:		
Gain (loss) on disposal of capital assets.....	(28,497)	-
Total revenues.....	472,140	456,096
Expenses:		
Water.....	376,319	372,116
Change in net position.....	95,821	83,980
Net position, beginning of year.....	1,455,451	1,371,471
Net position, end of year.....	\$ 1,551,272	\$ 1,455,451

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$8.1 million, a net increase of \$221,000 from the prior year.

The General Fund is the Town's chief operating fund. At the end of the current year, unassigned and total fund balance of the General Fund totaled \$2.3 million and \$2.5 million, respectively. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 13.1% and 14.4% of total General Fund expenditures, respectively. The General Fund total fund balance decreased by \$336,000 during 2018 mainly due to the use of \$966,000 of prior year reserves to balance the budget which was offset by positive budgetary results.

The Town has established a community preservation fund, which is funded by a combination of real estate surcharges to taxpayers and a matching grant from the Commonwealth. At the end of 2018, the fund had a positive balance of \$2.7 million, which is recorded in the Community Preservation major governmental fund. As funds accumulate, the Town expects to appropriate funds in accordance with the legislation and in the best interest of the Town of Wenham. During 2018, the fund received \$489,000, and expended \$259,000.

Budgetary Highlights

General Fund:

For 2018, the Town adopted a \$17.7 million dollar operating budget for the General Fund. The budget was financed through current revenues, \$7,500 of transfers in from other funds and the use of \$1,000,582 of prior year reserves. Actual revenues exceed the budget by \$454,000 and expenditures turned back \$219,000 of unexpended appropriations.

Community Preservation Fund:

The Town's Community Preservation Special Revenue fund adopted a \$415,000 revenue budget and appropriated \$297,000 for new projects. The fund experienced a net increase of \$230,000.

Capital Asset and Debt Administration

Outstanding long-term debt, as of June 30, 2018, totaled \$3.9 million which is comprised of \$3.8 million in governmental debt and \$150,000 of Water Enterprise Fund long-term debt. During the year, the Town issued \$245,000 of new debt.

During the year, the Town acquired approximately \$1.1 million in new capital assets. Significant additions consisted of construction in progress, infrastructure, vehicles, and equipment.

Please refer to the Notes to the Basic Financial Statements for further discussion of the debt and capital activity.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Wenham Town Hall, 138 Main Street, Wenham, MA 01984.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 4,406,315	\$ 317,652	\$ 4,723,967
Investments.....	3,779,564	-	3,779,564
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	144,947	-	144,947
Tax liens.....	130,501	-	130,501
Community preservation fund surtax.....	2,972	-	2,972
Motor vehicle and other excise taxes.....	139,516	-	139,516
User charges.....	-	149,747	149,747
Departmental and other.....	15,731	-	15,731
Intergovernmental - other.....	219,200	-	219,200
Community preservation state share.....	147,891	-	147,891
Tax foreclosures.....	368,456	-	368,456
Other assets.....	189,900	-	189,900
Total current assets.....	9,544,993	467,399	10,012,392
NONCURRENT:			
Capital assets, nondepreciable.....	673,532	17,361	690,893
Capital assets, net of accumulated depreciation.....	12,109,032	1,223,824	13,332,856
Total noncurrent assets.....	12,782,564	1,241,185	14,023,749
TOTAL ASSETS.....	22,327,557	1,708,584	24,036,141
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	1,050,194	-	1,050,194
Deferred outflows related to other postemployment benefits.....	294,612	-	294,612
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	1,344,806	-	1,344,806
LIABILITIES			
CURRENT:			
Warrants payable.....	201,270	831	202,101
Accrued interest.....	36,198	-	36,198
Other liabilities.....	62,777	-	62,777
Compensated absences.....	13,064	-	13,064
Capital lease obligations.....	40,167	-	40,167
Bonds payable.....	850,000	75,000	925,000
Total current liabilities.....	1,203,476	75,831	1,279,307
NONCURRENT:			
Capital lease obligations.....	41,671	-	41,671
Compensated absences.....	49,277	6,481	55,758
Net pension liability.....	8,074,199	-	8,074,199
Other postemployment benefits.....	4,778,985	-	4,778,985
Bonds payable.....	2,995,000	75,000	3,070,000
Total noncurrent liabilities.....	15,939,132	81,481	16,020,613
TOTAL LIABILITIES.....	17,142,608	157,312	17,299,920
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	519,833	-	519,833
NET POSITION			
Net investment in capital assets.....	8,855,726	1,106,295	9,962,021
Restricted for:			
Permanent funds:			
Expendable.....	91,497	-	91,497
Nonexpendable.....	812,558	-	812,558
Gifts and grants.....	1,358,410	-	1,358,410
Community preservation.....	2,806,717	-	2,806,717
Unrestricted.....	(7,914,986)	444,977	(7,470,009)
TOTAL NET POSITION.....	\$ 6,009,922	\$ 1,551,272	\$ 7,561,194

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
Governmental Activities:						
General government.....	\$ 1,914,779	\$ 172,306	\$ 82,132	\$ -	\$ (1,660,341)	
Public safety.....	3,835,750	467,975	49,321	-	(3,318,454)	
Education.....	9,363,100	-	-	-	(9,363,100)	
Public works.....	2,259,962	90,823	542	641,319	(1,527,278)	
Health and human services.....	216,375	15,515	17,368	-	(183,492)	
Culture and recreation.....	1,387,909	754,363	75,046	-	(558,500)	
Community preservation.....	123,300	-	-	212,441	89,141	
Interest.....	98,737	-	-	-	(98,737)	
Total Governmental Activities.....	19,199,912	1,500,982	224,409	853,760	(16,620,761)	
Business-Type Activities:						
Water.....	376,319	500,637	-	-	124,318	
Total Business-Type Activities.....	376,319	500,637	-	-	124,318	
Total Primary Government.....	\$ 19,576,231	\$ 2,001,619	\$ 224,409	\$ 853,760	\$ (16,496,443)	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (16,620,761)	\$ 124,318	\$ (16,496,443)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	14,932,090	-	14,932,090
Motor vehicle and other excise taxes.....	791,649	-	791,649
Community preservation tax.....	357,863	-	357,863
Grants and contributions not restricted to specific programs.....	459,883	-	459,883
Unrestricted investment income.....	36,790	-	36,790
Gain (loss) on disposal of capital assets.....	-	(28,497)	(28,497)
Miscellaneous.....	74,127	-	74,127
Total general revenues and transfers.....	16,652,402	(28,497)	16,623,905
Change in net position.....	31,641	95,821	127,462
<i>Net position:</i>			
Beginning of year (as revised).....	5,978,281	1,455,451	7,433,732
End of year.....	\$ 6,009,922	\$ 1,551,272	\$ 7,561,194

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2018

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 2,644,981	\$ 45,681	\$ 1,715,653	\$ 4,406,315
Investments.....	-	2,613,300	1,166,264	3,779,564
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	144,947	-	-	144,947
Tax liens.....	130,501	-	-	130,501
Community preservation fund surtax.....	-	2,972	-	2,972
Motor vehicle and other excise taxes.....	139,516	-	-	139,516
Departmental and other.....	225	-	15,506	15,731
Intergovernmental.....	-	-	219,200	219,200
Community preservation state share.....	-	147,891	-	147,891
Tax foreclosures.....	368,456	-	-	368,456
Other assets.....	-	-	189,900	189,900
TOTAL ASSETS.....	\$ 3,428,626	\$ 2,809,844	\$ 3,306,523	\$ 9,544,993
LIABILITIES				
Warrants payable.....	\$ 144,061	\$ 3,127	\$ 54,082	\$ 201,270
Other liabilities.....	1,177	-	61,600	62,777
TOTAL LIABILITIES.....	145,238	3,127	115,682	264,047
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	758,644	150,863	234,706	1,144,213
FUND BALANCES				
Nonspendable.....	-	-	1,002,458	1,002,458
Restricted.....	-	2,655,854	1,953,677	4,609,531
Assigned.....	239,022	-	-	239,022
Unassigned.....	2,285,722	-	-	2,285,722
TOTAL FUND BALANCES.....	2,524,744	2,655,854	2,956,135	8,136,733
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 3,428,626	\$ 2,809,844	\$ 3,306,523	\$ 9,544,993

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2018

Total governmental fund balances.....	\$ 8,136,733
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	12,782,564
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	1,144,213
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	824,973
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(36,198)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(3,845,000)
Net pension liability.....	(8,074,199)
Other postemployment benefits.....	(4,778,985)
Capital lease obligations.....	(81,838)
Compensated absences.....	(62,341)
Net effect of reporting long-term liabilities.....	(16,842,363)
Net position of governmental activities.....	\$ <u>6,009,922</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2018

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 14,961,717	\$ -	\$ -	\$ 14,961,717
Motor vehicle and other excise taxes.....	730,806	-	-	730,806
Fees and rentals.....	-	-	10,582	10,582
Intergovernmental - state aid.....	439,428	-	800,114	1,239,542
Intergovernmental - assessment.....	751,418	-	-	751,418
Departmental and other.....	466,317	-	361,158	827,475
Community preservation taxes.....	-	358,660	-	358,660
Community preservation state match.....	-	115,550	-	115,550
Contributions and donations.....	-	-	82,343	82,343
Investment income.....	18,075	14,876	3,839	36,790
Miscellaneous.....	8,690	-	59,064	67,754
TOTAL REVENUES.....	17,376,451	489,086	1,317,100	19,182,637
EXPENDITURES:				
Current:				
General government.....	1,100,785	-	96,536	1,197,321
Public safety.....	2,230,816	-	397,577	2,628,393
Education.....	9,363,100	-	-	9,363,100
Public works.....	1,366,430	-	797,419	2,163,849
Health and human services.....	151,576	-	26,037	177,613
Culture and recreation.....	974,208	-	144,725	1,118,933
Community preservation.....	-	123,300	-	123,300
Pension benefits.....	688,274	-	-	688,274
Property and liability insurance.....	122,540	-	-	122,540
Employee benefits.....	705,917	-	-	705,917
State and county charges.....	225,090	-	-	225,090
Debt service:				
Principal.....	479,000	110,000	-	589,000
Interest.....	78,155	25,450	-	103,605
TOTAL EXPENDITURES.....	17,485,891	258,750	1,462,294	19,206,935
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(109,440)	230,336	(145,194)	(24,298)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	-	245,000	245,000
Transfers in.....	7,500	-	234,000	241,500
Transfers out.....	(234,000)	-	(7,500)	(241,500)
TOTAL OTHER FINANCING SOURCES (USES)....	(226,500)	-	471,500	245,000
NET CHANGE IN FUND BALANCES.....	(335,940)	230,336	326,306	220,702
FUND BALANCES AT BEGINNING OF YEAR.....	2,860,684	2,425,518	2,629,829	7,916,031
FUND BALANCES AT END OF YEAR.....	\$ 2,524,744	\$ 2,655,854	\$ 2,956,135	\$ 8,136,733

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds.....	\$ 220,702
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay.....	1,024,544
Capital asset deletions.....	(290,330)
Depreciation expense.....	<u>(826,315)</u>
Net effect of reporting capital assets.....	(92,101)
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>	
	48,916
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>	
Principal payments on capital leases.....	52,680
Issuance of bonds.....	(245,000)
Debt service principal payments.....	<u>589,000</u>
Net effect of reporting long-term debt.....	396,680
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Net change in compensated absences accrual.....	(8,755)
Net change in accrued interest on long-term debt.....	4,868
Net change in deferred outflow/(inflow) of resources related to pensions.....	(44,324)
Net change in net pension liability.....	(240,636)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	102,880
Net change in other postemployment benefits liability.....	<u>(356,589)</u>
Net effect of recording long-term liabilities.....	<u>(542,556)</u>
Change in net position of governmental activities.....	\$ <u>31,641</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2018

	<u>Water</u>
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 317,652
Receivables, net of allowance for uncollectibles:	
User charges.....	<u>149,747</u>
Total current assets.....	<u>467,399</u>
NONCURRENT:	
Capital assets, non depreciable.....	17,361
Capital assets, net of accumulated depreciation.....	<u>1,223,824</u>
Total noncurrent assets.....	<u>1,241,185</u>
TOTAL ASSETS.....	<u>1,708,584</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	831
Bonds payable.....	<u>75,000</u>
Total current liabilities.....	<u>75,831</u>
NONCURRENT:	
Compensated absences.....	6,481
Bonds payable.....	<u>75,000</u>
Total noncurrent liabilities.....	<u>81,481</u>
TOTAL LIABILITIES.....	<u>157,312</u>
NET POSITION	
Net investment in capital assets.....	1,106,295
Unrestricted.....	<u>444,977</u>
TOTAL NET POSITION.....	<u>\$ 1,551,272</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2018

	<u>Water</u>
<u>OPERATING REVENUES:</u>	
Charges for services.....	\$ 500,637
<u>OPERATING EXPENSES:</u>	
Cost of services and administration.....	134,314
Salaries and wages.....	166,622
Depreciation.....	<u>71,178</u>
 TOTAL OPERATING EXPENSES.....	 <u>372,114</u>
 OPERATING INCOME (LOSS).....	 <u>128,523</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(4,205)
Gain (loss) on sale of capital assets.....	<u>(28,497)</u>
 CHANGE IN NET POSITION.....	 95,821
 NET POSITION AT BEGINNING OF YEAR.....	 <u>1,455,451</u>
 NET POSITION AT END OF YEAR.....	 \$ <u><u>1,551,272</u></u>

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	<u>Water</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 498,712
Payments to vendors.....	(136,973)
Payments to employees.....	<u>(166,489)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>195,250</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Principal payments on bonds and notes.....	(116,000)
Interest expense.....	<u>(4,205)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(120,205)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	75,045
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>242,607</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 317,652</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ 128,523
Adjustments to reconcile operating income to net	
cash from operating activities:	
Depreciation.....	71,178
Changes in assets and liabilities:	
User charges.....	(1,925)
Warrants payable.....	(2,659)
Compensated absences.....	<u>133</u>
Total adjustments.....	<u>66,727</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 195,250</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Gain/loss on sale of capital assets.....	\$ (28,497)

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Other Postemployment Benefit Trust Fund
ASSETS	
Cash and cash equivalents.....	\$ 913
Investments:	
Equity mutual funds.....	60,738
Fixed income mutual funds.....	38,143
TOTAL ASSETS.....	99,794
NET POSITION	
Restricted for other postemployment benefits.....	\$ 99,794

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefit Trust Fund
<u>ADDITIONS:</u>	
Contributions:	
Employer contributions.....	\$ 30,000
Employer contributions for other postemployment benefit payments.....	142,983
Total contributions.....	172,983
Net investment income:	
Investment income.....	3,727
TOTAL ADDITIONS.....	176,710
<u>DEDUCTIONS:</u>	
Other postemployment benefit payments.....	142,983
NET INCREASE (DECREASE) IN NET POSITION.....	33,727
NET POSITION AT BEGINNING OF YEAR.....	66,067
NET POSITION AT END OF YEAR.....	\$ 99,794

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Wenham, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town is a municipal corporation governed by an elected three member Board of Selectmen and an appointed Town Administrator.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has one component unit that requires inclusion in these basic financial statements.

During 2010 the Town established the Wenham Affordable Housing Trust, which is reported within the nonmajor governmental funds. The Trust Fund was initially funded with a gift received in 2008 from a real estate developer for \$703,000. That balance, plus accumulated interest and a \$208,000 contribution from the CPA Fund is being used to increase the Town's stock of affordable housing units. The funds were used to purchase two properties during 2010. One property was sold during 2011 and the other is being held for future resale. The cost to acquire the properties totaled \$517,000. The net realizable value of the property held is estimated at \$189,900. In 2013, the WHAT Friend Court, LLC was created as a Massachusetts single-member manager-managed limited liability company. The single member is the Wenham Affordable Housing Trust and as such the LLC is reported as a blended component unit. Ownership of the property has been transferred from the Town's Affordable Housing Trust to the LLC.

The Town has an agreement with the Town of Hamilton to operate a Joint Public Library under the direction of a Joint Board of Library Trustees. The Town is the administrator for all matters associated with the management of the Joint Public Library. All revenues and expenditures related to the operation of the Joint Public Library are accounted for in the Town's General Fund. Reimbursements from the Town of Hamilton for their apportioned share of expenditures are recorded as intergovernmental revenue. In 2018 operating expenses were approximately \$907,000 of which the Town's share totaled \$162,000 and Hamilton's share totaled \$745,000. The \$745,000 is reported as intergovernmental revenue.

The Town also has an agreement with the Town of Hamilton to operate a joint recreation. The program is operated by the Town of Hamilton. The Town of Wenham reimburses Hamilton for Wenham's share of the program. Reimbursements to Hamilton for the program totaled \$67,000 in 2018.

The Town is a member of the Hamilton-Wenham Regional School District (the District) which provides educational services for all levels of schools to both communities. This joint venture assesses each community its share of operating and debt service costs based on student population and other factors. In 2018, Wenham's share of the operating expense totaled \$8,871,000 and its share of the debt service expense totaled \$336,000. There is no equity interest required to be reported in the basic financial statements. Complete audited financial statements can be obtained directly from the District's administrative office located at 5 School Street, Wenham, Massachusetts 01984.

The Town, along with surrounding communities, has entered into an agreement for a regional communication center. The Town's 2018 assessment for the regional communication center of \$82,000 is budgeted as intergovernmental expenditures.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

The GASB requires separate financial statements be provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation fund* is used to account for the proceeds of a surcharge to real estate taxes along with a matching state grant. These funds must be spent in accordance with state law.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following proprietary fund type is reported:

The *water enterprise fund* is used to account for the Town's water activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund type is reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes

are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Water Fees

Water user fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. Water liens are processed after year-end and included as a lien on the property owner's tax bill.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

F. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide financial statements.

G. Capital Assets*Government-Wide and Proprietary Fund Financial Statements*

Capital assets, which include land, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, and similar items), are reported in the applicable governmental activity column of the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Capital assets of the governmental activities column in the government-wide financial statements do not include construction period interest.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings.....	40
Machinery and equipment.....	5-50
Infrastructure.....	10-60

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

H. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

In addition to assets, these statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has recorded a deferred outflow of resources related to pensions on the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town recorded a deferred inflow related to pensions on the government-wide statement of net position.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

I. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

Government Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

J. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Statement of Activities as "Transfers, net".

K. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted for" the following:

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

"Permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

"Grants and gifts" represents restrictions placed on assets from outside parties and consist primarily of gifts and federal and state grants.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

"Nonspendable" fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

"Restricted" fund balance includes amounts subject to constraints placed on the use of resources that is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

"Committed" fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by Town Meeting vote, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

"Assigned" fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town's by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

"Unassigned" fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Essex Regional Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

O. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

P. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

Q. Total Column*Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

R. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies, instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's investment pool (the Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town has not formally adopted a policy for custodial credit risk of deposits. At year-end,

the carrying amount of deposits totaled \$4,724,880 and the bank balance totaled \$4,758,570. Of the bank balance, \$1,250,000 was covered by Federal Depository Insurance, \$2,587,805 was covered by Depositors Insurance Fund, and \$920,765 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the government will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

The Town has adopted a custodial credit risk policy requiring all securities not held directly by the Town be held in the Town's name and tax identification number by a third party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

Investments and Fair Value Measurements

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The following table presents financial assets at June 30, 2018, for which the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2018	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments measured at fair value:			
<u>Debt securities:</u>			
U.S. treasury bonds.....	\$ 2,326,159	\$ 2,326,159	\$ -
Corporate bonds.....	922,774	-	922,774
Bond mutual funds.....	38,143	38,143	-
Total debt securities.....	3,287,076	2,364,302	922,774
<u>Other investments:</u>			
Equity securities.....	530,631	530,631	-
Equity mutual funds.....	60,738	60,738	-
Money market mutual funds.....	227,643	227,643	-
Total other investments.....	819,012	819,012	-
Total investments measured at fair value.....	4,106,088	\$ 3,183,314	\$ 922,774
Total investments.....	\$ 4,106,088		

Debt and equity securities, U.S. Government Treasuries and Government Sponsored Enterprises, Mutual Funds, Repurchase Agreements, and MMDT classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk

The Town's policy limits the investment duration as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

The Town's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

More than 30 percent of the Town's investments are in the following securities:

<u>Issuer</u>	<u>Percentage of Total Investments</u>
FEDERAL HOME LN MTG CORP MTN.....	40%

NOTE 3 – RECEIVABLES

At June 30, 2018, receivables for the governmental funds, in the aggregate, including the applicable allowance for uncollectibles, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 147,026	\$ (2,079)	\$ 144,947
Tax liens.....	130,501	-	130,501
Community preservation fund surtax.....	2,972	-	2,972
Motor vehicle and other excise taxes.....	157,440	(17,924)	139,516
Departmental and other.....	15,731	-	15,731
Intergovernmental - other.....	219,200	-	219,200
Community preservation state share.....	147,891	-	147,891
Total.....	<u>\$ 820,761</u>	<u>\$ (20,003)</u>	<u>\$ 800,758</u>

At June 30, 2018, receivables for the water enterprise consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 149,747	\$ -	\$ 149,747

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows:

	General Fund	Community Preservation	Other Governmental Funds	Total
<u>Receivables:</u>				
Real estate and personal property taxes.....	\$ 619,128	\$ -	\$ -	\$ 619,128
Community preservation fund.....	-	150,863	-	150,863
Motor vehicle and other excise taxes.....	139,516	-	-	139,516
Departmental and other.....	-	-	15,506	15,506
Intergovernmental - highway improvements.....	-	-	219,200	219,200
Total.....	\$ 758,644	\$ 150,863	\$ 234,706	\$ 1,144,213

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 486,680	\$ -	\$ -	\$ 486,680
Construction in progress.....	289,637	9,473	(112,258)	186,852
Total capital assets not being depreciated....	776,317	9,473	(112,258)	673,532
<u>Capital assets being depreciated:</u>				
Buildings.....	10,423,396	-	-	10,423,396
Machinery and equipment.....	4,273,539	219,943	-	4,493,482
Vehicles.....	2,481,419	66,920	-	2,548,339
Infrastructure.....	3,299,942	840,466	(359,283)	3,781,125
Total capital assets being depreciated.....	20,478,296	1,127,329	(359,283)	21,246,342
<u>Less accumulated depreciation for:</u>				
Buildings.....	(3,144,493)	(254,909)	-	(3,399,402)
Machinery and equipment.....	(2,710,173)	(190,848)	-	(2,901,021)
Vehicles.....	(1,642,732)	(287,569)	-	(1,930,301)
Infrastructure.....	(882,550)	(92,989)	68,953	(906,586)
Total accumulated depreciation.....	(8,379,948)	(826,315)	68,953	(9,137,310)
Total capital assets being depreciated, net.....	12,098,348	301,014	(290,330)	12,109,032
Total governmental activities capital assets, net....	\$ 12,874,665	\$ 310,487	\$ (402,588)	\$ 12,782,564

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 17,361	\$ -	\$ -	\$ 17,361
<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	284,989	-	-	284,989
Vehicles.....	103,330	-	(33,933)	69,397
Infrastructure.....	1,808,516	-	-	1,808,516
Total capital assets being depreciated.....	2,196,835	-	(33,933)	2,162,902
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(205,279)	(27,236)	-	(232,515)
Vehicles.....	(51,042)	(5,287)	5,436	(50,893)
Infrastructure.....	(617,015)	(38,655)	-	(655,670)
Total accumulated depreciation.....	(873,336)	(71,178)	5,436	(939,078)
Total capital assets being depreciated, net.....	1,323,499	(71,178)	(28,497)	1,223,824
Total business-type activities capital assets, net....	\$ 1,340,860	\$ (71,178)	\$ (28,497)	\$ 1,241,185

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 206,886
Public safety.....	224,741
Public works.....	284,251
Health and human services.....	1,135
Culture and recreation.....	109,302
Total depreciation expense - governmental activities.....	\$ 826,315

Business-Type Activities:

Water.....	\$ 71,178
------------	-----------

NOTE 5 – INTERFUND TRANSFERS

In 2018, the Town transferred \$7,500 from nonmajor funds to the General Fund to support the General Fund operations and transferred \$234,000 from the general fund to nonmajor funds to cover capital expenditures.

NOTE 6 – CAPITAL LEASES

The Town has entered into several lease agreements to finance the acquisition of vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The following identifies the assets acquired through capital lease agreements:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and equipment.....	\$ 229,250
Less: accumulated depreciation...	<u>(140,863)</u>
Total.....	<u>\$ 88,387</u>

The future minimum lease obligations and the net present value of these minimum lease payments at June 30, 2018, are as follows:

<u>Years ending June 30:</u>	<u>Governmental Activities</u>
2019.....	\$ 42,991
2020.....	<u>42,990</u>
Total minimum lease payments.....	85,981
Less: amounts representing interest.....	<u>(4,143)</u>
Present value of minimum lease payments... \$	<u>81,838</u>

NOTE 7 – SHORT-TERM FINANCING

The Town is authorized to borrow on a temporary basis to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund.

There was no short-term debt issued during 2018 or outstanding at June 30, 2018.

NOTE 8 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the Town's outstanding indebtedness at June 30, 2018, and the debt service requirements are as follows:

Bonds Payable Schedule

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
Drainage/Road Repair.....	2023	\$ 656,811	2.00 - 3.25	\$ 380,000
ESCO.....	2023	288,000	2.00 - 2.25	120,000
Library.....	2020	294,600	2.00	100,000
Lease Buyback.....	2020	73,600	2.00	30,000
Town Hall Renovations.....	2020	49,100	2.00	20,000
Town Hall/Police Station.....	2027	2,965,300	2.00 - 4.00	2,605,000
State House Serial Loan Notes.....	2021	592,000	2.70	345,000
Iron Rail Project.....	2019	245,000	2.50	245,000
Total Bonds Payable, net.....				<u>\$ 3,845,000</u>

Debt service requirements for principal and interest for governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2019.....	\$ 850,000	\$ 90,496	\$ 940,496
2020.....	590,000	76,973	666,973
2021.....	510,000	64,185	574,185
2022.....	395,000	53,375	448,375
2023.....	390,000	44,025	434,025
2024.....	280,000	36,350	316,350
2025.....	280,000	27,600	307,600
2026.....	275,000	16,500	291,500
2027.....	275,000	5,500	280,500
Total.....	<u>\$ 3,845,000</u>	<u>\$ 415,004</u>	<u>\$ 4,260,004</u>

Bonds and Notes Payable Schedule – Enterprise Fund

Details related to the Water Enterprise Fund's outstanding indebtedness at June 30, 2018, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
Water.....	2020	\$ 392,400	2.00	\$ 150,000

Debt service requirements for principal and interest for enterprise fund bonds payable in future years are as follows:

Year	Principal	Interest	Total
2019.....	\$ 75,000	\$ 2,250	\$ 77,250
2020.....	75,000	750	75,750
Total.....	\$ 150,000	\$ 3,000	\$ 153,000

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2018, the Town had the following authorized and unissued debt:

Purpose	Amount
Iron Rail.....	\$ 245,000

General Long-Term Liabilities

The Town records its liability for long-term bonds and notes in the Government-wide financial statements. Other general long-term obligations recognized by the Town are its obligations for compensated absence benefits (sick and vacation pay), net pension liability, and other postemployment benefits.

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 4,189,000	\$ 245,000	\$ (589,000)	\$ -	\$ -	\$ 3,845,000	\$ 850,000
Capital lease obligations.....	134,518	-	-	-	(52,680)	81,838	40,167
Compensated absences.....	53,586	-	-	21,020	(12,265)	62,341	13,084
Net pension liability.....	7,833,563	-	-	2,243,901	(2,003,265)	8,074,199	-
Net postemployment benefits.....	4,422,396	-	-	904,910	(548,321)	4,778,985	-
Total governmental activity long-term liabilities.....	\$ 16,633,063	\$ 245,000	\$ (589,000)	\$ 3,169,831	\$ (2,616,531)	\$ 16,842,363	\$ 903,231
Business-Type Activities:							
Long-term bonds payable.....	\$ 266,000	\$ -	\$ (116,000)	\$ -	\$ -	\$ 150,000	\$ 75,000
Compensated absences.....	6,348	-	-	133	-	6,481	-
Total business-type activity long-term liabilities.....	\$ 272,348	\$ -	\$ (116,000)	\$ 133	\$ -	\$ 156,481	\$ 75,000

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to the constraints imposed on the uses of the resources.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its fund balances with the following hierarchy:

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 812,558	\$ 812,558
Assets Held for Resale.....	-	-	189,900	189,900
Restricted for:				
Community Preservation.....	-	2,655,854	-	2,655,854
Affordable Housing.....	-	-	629,672	629,672
Town Hall and Police Station Project.....	-	-	1,252	1,252
Federal and State grants.....	-	-	201,354	201,354
Receipts Reserved for Appropriation.....	-	-	56,868	56,868
Gifts and Revolving Funds.....	-	-	772,319	772,319
Highway Capital Projects.....	-	-	87,086	87,086
Other Capital Projects.....	-	-	113,629	113,629
Expendable Trust Funds.....	-	-	91,497	91,497
Assigned to:				
Encumbrances:				
General government.....	5,828	-	-	5,828
Public safety.....	27,263	-	-	27,263
Public works.....	3,982	-	-	3,982
Health and human services.....	707	-	-	707
Culture and recreation.....	742	-	-	742
Free cash used for subsequent year budget.....	200,500	-	-	200,500
Unassigned.....	2,285,722	-	-	2,285,722
Total Fund Balances.....	\$ 2,524,744	\$ 2,655,854	\$ 2,956,135	\$ 8,136,733

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

In accordance with Statement No. 54, the Town's \$523,109 stabilization fund has been reported in the general fund as unassigned.

NOTE 10 – PENSION PLAN

Plan Description

The Town is a member of the Essex Regional Retirement System (ERRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 47 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System issues a publically available, audited financial report that may be obtained by contacting the System located at 491 Maple Street, Suite 202, Danvers, MA 01923 or by visiting www.essexregional.com.

Benefits Provided

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes in benefit terms that effect the measurement of the total pension liability this year.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the ERRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution

for the year ended December 31, 2017 which was \$668,111 and 23.96% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2018, the Town reported a liability of \$8,074,199 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2017, the Town's proportion was 2.15%, which increased from 2.03% its proportion measured at December 31, 2016.

Pension Expense

For the year ended June 30, 2018, the Town recognized pension expense of \$953,071. At June 30, 2018, the Town reported deferred outflows and inflows of resources related to pensions of \$1,050,194 and \$519,833, respectively, from the net difference between expected and actual experience, between projected and actual investment earnings on pension plan investments along with changes in proportion.

The balances of deferred outflows and inflows at June 30, 2018 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (114,265)	\$ (114,265)
Difference between projected and actual earnings.....	-	(355,491)	(355,491)
Changes in assumptions.....	662,915	-	662,915
Changes in proportion and proportionate share of contributions...	387,279	(50,077)	337,202
Total deferred outflows/(inflows) of resources.....	\$ 1,050,194	\$ (519,833)	\$ 530,361

The Town's deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019.....	\$ 204,905
2020.....	212,762
2021.....	79,449
2022.....	33,245
Total.....	\$ 530,361

Actuarial Assumptions - The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2017:

Valuation date.....	January 1, 2018
Salary increases.....	Based on years of service, ranging from 7.50% at 0 years of service decreasing to 3.75% after 5 years of service.
Net investment return/discount rate.....	7.50%
Inflation rate.....	2.75%
Cost of living adjustments.....	3% of first 14,000
Mortality rates:	
Pre-retirement.....	RP-2000 Employee Mortality Table projects generationally with Scale BB.
Healthy Retiree.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB.
Disabled Retiree.....	RP-2000 Healthy Annuitant Mortality Table, set forward two years projected generationally with Scale BB.

Investment policy - The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation of 2.75%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75%. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	6.15%	17.50%
International developed markets equity..	7.11%	15.50%
International emerging markets equity...	9.41%	6.00%
Core fixed income.....	1.68%	12.00%
High-yield fixed income.....	4.13%	10.00%
Real estate.....	4.90%	10.00%
Commodities.....	4.71%	4.00%
Hedge fund , GTAA, Risk parity.....	3.94%	13.00%
Private equity.....	10.28%	12.00%
Total.....		100.00%

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current

contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net position liability to changes in the discount rate. The following presents the net position liability, calculated using the discount rate of 7.50%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
December 31, 2017 Measurement Date			
The Town's proportionate share of the net pension liability..... \$	10,158,324	8,074,199	6,321,160

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Essex Regional Retirement System financial report.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Wenham administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare, dental, and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 75 percent of the cost of current-year premiums for health and life insurance for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25 percent of their premium costs for health and life insurance and all of the premiums related to dental insurance. During 2018, the Town contributed approximately \$192,000 to the plan.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund for the purpose of accumulating assets to pre-fund its OPEB liabilities. The Town Treasurer is the custodian and Trustee of the OPEB Fund. The Trustee has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets.

During 2018, the Town pre-funded future OPEB liabilities totaling approximately \$30,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2018, the balance of this fund totaled \$99,794. The Town has adopted a long-term policy of pre-funding future OPEB liabilities. The policy may be amended at any time by the Town's Board of Selectmen.

GASB #74 – OPEB Plan Financial Reporting

Measurement Date – GASB #74 requires the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Employees Covered by Benefit Terms – The following table represents the Plan's membership at June 30, 2018:

Active members.....	47
Inactive members currently receiving benefits.....	<u>29</u>
Total.....	<u><u>76</u></u>

Components of OPEB Liability – The following table represents the components of the Plan's OPEB liability as of June 30, 2018:

Total OPEB liability.....	\$	5,147,673
Less: OPEB plan's fiduciary net position.....		<u>(99,794)</u>
Net OPEB liability.....	\$	<u><u>5,047,879</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....		1.94%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2017 actuarial valuation was determined by using the following actuarial assumptions, applied to all periods including the measurement date that was updated to June 30, 2018 to be in accordance with GASB #74:

Valuation date.....	June 30, 2017
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Market value
Investment rate of return.....	6.33%, net of pension plan investment expense, including inflation.
Municipal Bond Rate.....	3.13% as of June 30, 2017 per S&P Municipal Bond High Grade Index - SAPIHG
Single equivalent discount rate.....	5.25%, net of OPEB plan investments expense, including inflation. Using a blend of the Municipal Bond Rate for unfunded periods and the Investment Rate of Return for funded periods.
Inflation rate.....	2.75% as of June 30, 2017 and for future periods
Projected salary increases.....	3.00% annually
Healthcare cost trend rate.....	5.00%
Mortality rates.....	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. For disabled members, RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB. Previously, RP-2000 Mortality Table projected to 2020 for pre-retirement and 2016 for post-retirement with Scale AA.
Change in assumptions.....	Discount rate is 5.25%, previously 4.00%

Rate of return – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 5.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 3.58% is added to the expected inflation of 2.75% to produce the long-term expected nominal rate of return of 6.33%. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic large cap equities.....	26.75%	4.00%
Domestic small/mid cap equities.....	13.25%	6.00%
International equities.....	13.25%	4.50%
Emerging international equities.....	6.75%	7.00%
Domestic fixed income.....	30.00%	2.00%
International fixed income.....	10.00%	3.00%
Alternatives.....	0.00%	6.50%
Real estate.....	0.00%	6.25%
Total.....	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total OPEB liability was 5.25% as of June 30, 2018 and 5.25% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to all periods of projected future benefits payments as of June 30, 2018.

Changes of Assumptions – None.

Changes in Plan Provisions – None.

GASB Statement #75 – OPEB Employer Financial Reporting

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Measurement Date – GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Discount rate – The discount rate used to measure the total OPEB liability was 5.25% as of June 30, 2018 and June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to all periods of projected future benefits payments as of June 30, 2017.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 5.25%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate.

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net OPEB liability.....	\$ 5,572,389	\$ 4,778,985	\$ 4,141,779

Sensitivity of the net position liability to changes in the healthcare trend – The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate of 5.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%).

	1% Decrease (4.00%)	Current Trend (5.00%)	1% Increase (6.00%)
Net OPEB liability.....	\$ 3,835,972	\$ 4,778,985	\$ 5,979,563

Changes in the Net OPEB Liability – Measurement Date June 30, 2017

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2016.....	\$ 4,468,058	\$ 45,662	\$ 4,422,396
Changes for the year:			
Service cost.....	190,103	-	190,103
Interest.....	240,103	-	240,103
Differences between expected and actual experience....	118,520	-	118,520
Benefit payments.....	(171,732)	-	(171,732)
Net investment income.....	-	405	(405)
Employer contributions to trust.....	-	191,732	(191,732)
Benefit Payments withdrawn from trust.....	-	(171,732)	171,732
Net change.....	376,994	20,405	356,589
Balances at June 30, 2017.....	\$ 4,845,052	\$ 66,067	\$ 4,778,985

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018 the Town recognized OPEB expense of \$234,960. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources
Differences between expected and actual experience.....	\$ 118,520
Difference between projected and actual earnings.....	3,109
Contributions made subsequent to the measurement date.....	172,983
Total deferred outflows/(inflows) of resources.....	\$ <u>294,612</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting date year ended June 30:

2019.....	\$ 194,999
2020.....	22,016
2021.....	22,016
2022.....	22,016
2023.....	22,016
2024.....	11,549
Total.....	\$ <u>294,612</u>

NOTE 12 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in premium-based health care plans for its employees and retirees. The Town participates in a premium-based workers' compensation insurance plan for its employees.

The amount of settlements has not exceeded the coverage in any of the last three years.

NOTE 13 – CONTINGENCIES

The Town participates in a number of federal award programs. These programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2018.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 25, 2019 which is the date the financial statements were available to be issued.

NOTE 15 – REVISION OF NET POSITION

Beginning net position of governmental activities has been revised to reflect the implementation of GASB #75. The revised balances are summarized in the following table:

	06/30/2017 Previously Reported Balances	Implementation of GASB #75	06/30/2017 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 8,078,985	\$ (2,100,704)	\$ 5,978,281
Business-type activities.....	1,455,451	-	1,455,451
Total.....	<u>\$ 9,534,436</u>	<u>\$ (2,100,704)</u>	<u>\$ 7,433,732</u>
Business-type Activities - Enterprise Funds			
Water Enterprise fund.....	\$ 1,455,451	\$ -	\$ 1,455,451
Total.....	<u>\$ 1,455,451</u>	<u>\$ -</u>	<u>\$ 1,455,451</u>

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.

- The GASB issued Statement #87, Leases, which is required to be implemented in 2021.
- The GASB issued Statement #88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, which is required to be implemented in 2019.
- The GASB issued Statement #89, Accounting for Interest Cost Incurred before the End of a Construction Period, which is required to be implemented in 2021.

The GASB issued Statement #90, Majority Equity Interests – an amendment of GASB Statements #14 and #61, which is required to be implemented in 2019.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

This page intentionally left blank.

Required Supplementary Information

Budgetary Comparison Schedules

The General Fund is the general operating fund of the Town. It is used to account for all of the Town's financial resources, except those required to be accounted for in another fund.

The Community Preservation Fund is used to account for the proceeds of a surcharge to real estate taxes along with a matching state grant.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 14,751,309	\$ 14,751,309	\$ 14,751,309	\$ 14,961,168	\$ -	\$ 209,859
Motor vehicle and other excise taxes.....	-	543,000	543,000	543,000	730,806	-	187,806
Intergovernmental - state aid.....	-	439,291	439,291	439,291	439,428	-	137
Intergovernmental - assessment.....	-	751,203	751,203	751,203	751,418	-	215
Departmental and other.....	-	432,218	432,218	432,218	466,317	-	34,099
Investment income.....	-	1,929	1,929	1,929	15,353	-	13,424
Miscellaneous.....	-	-	-	-	8,690	-	8,690
TOTAL REVENUES.....	-	16,918,950	16,918,950	16,918,950	17,373,180	-	454,230
EXPENDITURES:							
Current:							
General government.....	26,693	1,203,617	1,230,310	1,188,783	1,100,785	5,828	82,170
Public safety.....	3,623	2,247,940	2,251,563	2,305,890	2,230,816	27,263	47,811
Education.....	-	9,370,420	9,370,420	9,370,420	9,363,100	-	7,320
Public works.....	13,266	1,361,675	1,374,941	1,412,397	1,366,430	3,982	41,985
Health and human services.....	1,000	157,256	158,256	158,256	151,576	707	5,973
Culture and recreation.....	-	978,568	978,568	978,568	974,208	742	3,618
Pension benefits.....	-	688,212	688,212	688,274	688,274	-	-
Property and liability insurance.....	-	123,600	123,600	123,600	122,540	-	1,060
Employee benefits.....	-	785,417	785,417	735,099	705,917	-	29,182
State and county charges.....	-	225,090	225,090	225,090	225,090	-	-
Debt service:							
Principal.....	-	479,000	479,000	479,000	479,000	-	-
Interest.....	-	78,155	78,155	78,155	78,155	-	-
TOTAL EXPENDITURES.....	44,582	17,698,950	17,743,532	17,743,532	17,485,891	38,522	219,119
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(44,582)	(780,000)	(824,582)	(824,582)	(112,711)	(38,522)	673,349
OTHER FINANCING SOURCES (USES):							
Use of prior year reserves.....	44,582	-	44,582	44,582	-	-	(44,582)
Use of free cash and overlay surplus.....	-	966,000	966,000	1,026,000	-	-	(1,026,000)
Transfers in.....	-	7,500	7,500	7,500	7,500	-	-
Transfers out.....	-	(186,000)	(186,000)	(246,000)	(234,000)	-	12,000
TOTAL OTHER FINANCING SOURCES (USES).....	44,582	787,500	832,082	832,082	(226,500)	-	(1,058,582)
NET CHANGE IN FUND BALANCE.....	-	7,500	7,500	7,500	(339,211)	(38,522)	(385,233)
BUDGETARY FUND BALANCE, Beginning of year.....	-	2,315,846	2,315,846	2,315,846	2,315,846	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 2,323,346	\$ 2,323,346	\$ 2,323,346	\$ 1,976,635	\$ (38,522)	\$ (385,233)

COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual Budgetary Amounts	Variance to Final Budget
REVENUES:			
Community preservation taxes.....	\$ 300,000	\$ 358,660	\$ 58,660
Community preservation state match.....	115,550	115,550	-
Investment income.....	-	14,876	14,876
TOTAL REVENUES.....	415,550	489,086	73,536
EXPENDITURES:			
Community preservation.....	297,103	123,300	173,803
Debt service:			
Principal.....	110,000	110,000	-
Interest.....	25,450	25,450	-
TOTAL EXPENDITURES.....	432,553	258,750	173,803
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(17,003)	230,336	247,339
NET CHANGE IN FUND BALANCE.....	(17,003)	230,336	247,339
BUDGETARY FUND BALANCE, Beginning of year.....	2,425,518	2,425,518	-
BUDGETARY FUND BALANCE, End of year.....	\$ 2,408,515	\$ 2,655,854	\$ 247,339

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
ESSEX REGIONAL RETIREMENT SYSTEM**

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2017.....	2.15%	\$ 8,074,199	\$ 2,788,482	289.56%	55.40%
December 31, 2016.....	2.03%	7,833,563	2,740,673	285.83%	51.12%
December 31, 2015.....	2.05%	7,499,402	2,579,576	290.72%	51.01%
December 31, 2014.....	1.99%	6,750,090	2,472,907	272.96%	52.27%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
ESSEX REGIONAL RETIREMENT SYSTEM**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2017.....	\$ 668,111	\$ (668,111)	- \$	2,788,482	23.96%
December 31, 2016.....	589,102	(589,102)	-	2,740,673	21.49%
December 31, 2015.....	563,272	(563,272)	-	2,579,576	21.84%
December 31, 2014.....	510,403	(510,403)	-	2,472,907	20.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018
Total OPEB Liability		
Service Cost.....	\$ 190,103	\$ 185,220
Interest.....	240,103	260,384
Changes of benefit terms.....	-	-
Differences between expected and actual experience....	118,520	-
Changes of assumptions.....	-	-
Benefit payments.....	<u>(171,732)</u>	<u>(142,983)</u>
Net change in total OPEB liability.....	376,994	302,621
Total OPEB liability - beginning.....	<u>4,468,058</u>	<u>4,845,052</u>
Total OPEB liability - ending (a).....	<u>\$ 4,845,052</u>	<u>\$ 5,147,673</u>
Plan fiduciary net position		
Employer contributions to the trust.....	\$ 171,732	\$ 30,000
Employer contributions for OPEB payments.....	20,000	142,983
Net investment income.....	405	3,727
Benefit payments.....	<u>(171,732)</u>	<u>(142,983)</u>
Net change in plan fiduciary net position.....	20,405	33,727
Plan fiduciary net position - beginning of year.....	<u>45,662</u>	<u>66,067</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 66,067</u>	<u>\$ 99,794</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 4,778,985</u>	<u>\$ 5,047,879</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.36%	1.94%
Covered-employee payroll.....	\$ 2,896,297	\$ 2,983,186
Net OPEB liability as a percentage of covered-employee payroll.....	165.00%	169.21%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2018.....	\$ 506,072	\$ (172,983)	\$ 333,089	\$ 2,983,186	5.80%
June 30, 2017.....	493,946	(191,732)	302,214	2,896,297	6.62%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2018.....	5.60%
June 30, 2017.....	0.80%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the Town to adopt a balanced budget that is approved by the Finance Committee (Committee). The Committee presents an annual budget to the Open Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any individual line item, adopts the expenditure budget by majority vote. Increases or decreases subsequent to the approval of the annual budget require a vote at a Special Town Meeting.

The majority of the Town's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote at Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2018 budget for the General Fund includes current year appropriations and other amounts to be raised of \$17,698,950 and continuing appropriations from prior year of \$43,977.

The Town adopts an annual budget for the Community Preservation Fund in conformity with the guidelines described above. The original and final 2018 budget includes current and prior year appropriations of \$432,553 and budgeted revenues of \$415,550.

The Town Accountant has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth)) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary basis to GAAP basis results for the General Fund for the year ended June 30, 2018, is presented below:

	General Fund	Community Preservation Fund
Net change in fund balance - budgetary basis.....	\$ (339,211)	230,336
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....	2,722	-
<u>Basis of accounting differences:</u>		
Net change in recording 60 day receipts.....	549	-
Net change in fund balance - GAAP basis.....	<u>\$ (335,940)</u>	<u>230,336</u>

NOTE B – PENSION PLANChanges in Assumptions:

- The net investment return assumption and discount rate were lowered from 7.75% to 7.50%.
- The inflation rate was lowered from 4.00% to 2.75%.
- The assumed interest on employee contributions was increased from 2.0% to 3.75%.
- The administrative expense assumption was lowered from \$1,127,500 to \$1,000,000.
- The retirement rates for employees in Groups 1 and 2 hired after April 1, 2012 and in Group 4 were revised to match the rates for employees hired before April 1, 2012 and there were minor changes to the rates prior to age 54 for Group 4 employees.
- The percentage of accidental disability retirees who are expected to die from the same cause as the disability was lowered from 40% to 20% for Groups 1 and 2 employees and increased from 40% to 60% for Group 4 employees.
- The allowance for net 3(8)(c) payments was changed from an estimated liability to a term cost added to the service cost.

Change in Plan Terms:

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan ("The Retiree Health Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members.

The Other Postemployment Benefit PlanThe Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	June 30, 2017
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date.
Investment rate of return.....	6.33%, net of pension plan investment expense, including inflation.
Municipal Bond Rate.....	3.13% as of June 30, 2017 per S&P Municipal Bond High Grade Index - SAPIHG
Single equivalent discount rate....	5.25%, net of OPEB plan investments expense, including inflation. Using a blend of the Municipal Bond Rate for unfunded periods and the Investment Rate of Return for funded periods.
Inflation rate.....	2.75% as of June 30, 2017 and for future periods
Projected salary increases.....	3.00% annually
Healthcare cost trend rate.....	5.00%
Mortality rates.....	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. For disabled members, RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB. Previously, RP-2000 Mortality Table projected to 2020 for pre-retirement and 2016 for post-retirement with Scale AA.
Change in assumptions.....	Discount rate is 5.25%, previously 4.00%

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Changes of Assumptions

The discount rate increased from 4.00% to 5.25%.

Changes in Provisions

None.

Powers & Sullivan, LLC

Certified Public Accountants



100 Quannapowitt Parkway
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

November 1, 2016

Board of Selectmen
Town of Wenham
138 Main Street
Wenham, MA 01984

We are pleased to confirm our understanding of the services we are to provide the Town of Wenham, Massachusetts for the fiscal years ending June 30, 2017, 2018 and 2019. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Town of Wenham as of and for the years ended June 30, 2017, 2018 and 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Wenham's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Wenham's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) General Fund Budgetary Comparison Schedule.
- 3) Retirement System Schedules.
- 4) Other Postemployment Benefit Plan Schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Wenham's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal Awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and

to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Mayor of the Town of Wenham, Massachusetts. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Wenham's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Wenham's major programs. The purpose of these procedures will be to express an opinion on the Town of Wenham's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Town of Wenham in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations,

contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on May 30th of each year.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related

notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town of Wenham; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Powers & Sullivan, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the applicable cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Powers & Sullivan, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the applicable cognizant or oversight agency for audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

James Powers will be the engagement partner. Our fixed fee for the audit of the Town's basic financial audit and federal Single Audit will be \$23,500 per year for FY2017, FY2018 and FY2019. These fees include out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Any fees charged for bank and similar confirmations or responses from legal representatives are the sole responsibility of the Town. Our invoices for these fees will be rendered as work progresses and are payable on presentation.

In the event we are requested or authorized by Wenham or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel, Wenham will, so long as we are not party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review can be viewed at www.powersandsullivan.com

We appreciate the opportunity to be of service to the Town of Wenham and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

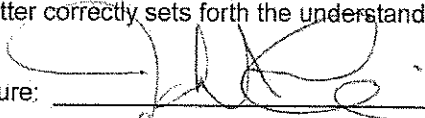
Very truly yours,



Powers & Sullivan, LLC

RESPONSE:

This letter correctly sets forth the understanding of the Town of Wenham, Massachusetts.

Signature: 

Title: Board of Selectmen, Chair



100 Quannapowitt Parkway

Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

February 25, 2019

Town of Wenham
36 Bartlet Street
Wenham, Massachusetts 01810

To the Town of Wenham:

We are pleased to confirm our understanding of the services we are to provide the Town of Wenham, Massachusetts for the fiscal years ending June 30, 2020, 2021 and 2022. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Town of Wenham as of and for the years ended June 30, 2020, 2021 and 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Wenham's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Wenham's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) General Fund Budgetary Comparison Schedule.
- 3) Retirement System Schedules.
- 4) Other Postemployment Benefit Plan Schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Wenham's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal Awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of

assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those

charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Wenham's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Wenham's major programs. The purpose of these procedures will be to express an opinion on the Town of Wenham's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Town of Wenham in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on May 30th of each year.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any

significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town of Wenham; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Powers & Sullivan, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the applicable cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Powers & Sullivan, LLC personnel. Furthermore, upon request, we may provide copies of selected audit

documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the applicable cognizant or oversight agency for audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fee for the single audit of the Town's basic financial statements will be a fixed fee of \$25,500 for each fiscal year.

These fees include out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Any fees charged for bank and similar confirmations or responses from legal representatives are the sole responsibility of the Town. Our invoices for these fees will be rendered as work progresses and are payable on presentation.

In the event we are requested or authorized by the Town of Wenham or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel, the Town of Wenham will, so long as we are not party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such a request.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comments received during the period of the contract. Our peer review can be viewed at www.powersandsullivan.com.

We appreciate the opportunity to be of service to the Town of Wenham and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return a copy to us.

Very truly yours,



Powers & Sullivan, LLC

RESPONSE:

This letter correctly sets forth the understanding of the Town of Wenham, Massachusetts.

By: _____

BOARD OF SELECTMEN MEETING

March 19, 2019

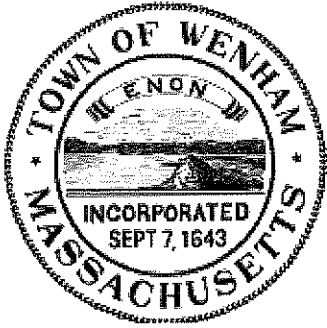
NEW BUSINESS

J.

**Preliminary Review of Proposed Water Use
Mitigation Policy**

(15 Minutes)

- Memo regarding Proposed Water Use Mitigation (WUMP) Policy from Jackie Bresnahan, Permitting Coordinator & Special Projects Manager, March 12, 2019
- Water Use Mitigation Program (WUMP) Draft Policy & Calculation Form



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

PERMITTING OFFICE

TEL 978-468-5520 Ext. 4 FAX 978-468-8014

TO: Board of Selectmen; Peter Lombardi, Town Administrator
FROM: Jackie Bresnahan, Permitting Coordinator & Special Projects Manager
CC: Erik Mansfield, Water Superintendent; Board of Water Commissioners
RE: Water Use Mitigation Program (WUMP) Policy
DATE: March 12, 2019

MEMO

Since the development at Middlewood Drive, the Town of Wenham Water Department has implemented a water use mitigation fee to compensate for the additional water withdrawal burden created by new development. Attached you will find a draft policy regarding the Town's Water Use Mitigation Program, which will serve as a compliment to the Water Use Mitigation Revolving Fund that was created by Town Meeting 2018.

The goal of this program is to identify developments that will add to the water withdrawal burden and collect fees from those developments to further the Town's water conservation strategies. This policy is applicable to new subdivisions, flexible developments, accessory apartments, or any building project that creates new dwelling units. The policy is consistent with the Town's current financial policies and the Water Department's efforts for sustainable water usage (given the increasing demands and limited supply). The revenue side of this program will be managed by the Permitting Office, due to the timing of the fee collection and that the Water Department can only collect funds for services rendered. The Water Commission, with the guidance of the Water Superintendent, will manage the expense budget.

Water conservation is a complex task that includes solutions above and beyond imposing water bans and mandatory conservation periods. The Water Commission has brainstormed several potential projects for these funds, including, but not limited to: providing water conservation programming to seniors and school-aged children; increasing education about septic care and maintenance; public awareness on irrigation issues; promoting drip irrigation; rebate programs on products such as rain barrels; and classes on drought tolerant landscaping and planting. The Water Commission's goal is to provide residents with education and awareness in conjunction with water conservation tools and products to create a multi-pronged approach for addressing this issue. Town Meeting 2018 approved an annual \$10,000 expenditure limit on the Water Use Mitigation Fund for these types of projects.

WENHAM WATER USE MITIGATION PROGRAM (WUMP)

The Wenham Water Use Mitigation Program [WUMP] has been implemented to collect a fee to fund water savings projects to mitigate new water demand.

Applicability

The WUMP program is applicable to projects which

- (1) Require a building permit for new construction or an additional dwelling unit (including special permits for accessory apartments)
- (2) Represent a new or increased water demand
- (3) Residential projects of three (3) or more dwelling units and all commercial projects are subject to the WUMP impact fee.

Construction Requirements

All projects subject to the WUMP program must meet the following requirements:

1. All applicable provisions of the state plumbing code must be met.
2. Each faucet, shower head, clothes washing machine, dish washing machine, and toilet shall be energy efficient, water saving, and meet the EPA's Water Efficiency Standards.
3. In-ground irrigation systems must be equipped with a rain and moisture sensing device.

Connection to the public water supply will not be approved until the Town has verified the project complies with these requirements.

Fee Amount

The fee assessed to all projects shall be based on the size of the project, according to the following fee schedule.

Development Type	Fee
Residential — 1 Bedroom	\$550/unit
Residential — 2 Bedroom	\$1,100/unit
Residential — 3 Bedroom	\$1,650/unit
Residential -- 4 Bedroom	\$2,200/unit
Residential – Multi-unit	\$5.50/gpd/unit

*Gallon per day volume to be defined per Title 5.

Fee Collection

The WUMP impact fee will be calculated using a WUMP Fee Calculation Form. Fee payment must be submitted to the Permitting Office prior to the issuance of a building permit. The building plans and disposal works construction (Title V/Septic) permit application and plans will be reviewed to verify the correct fee amount has been submitted.

The Permitting Office will not sign off on a Building Department until the WUMP fee is paid.

Fee Utilization Guidelines

These guidelines are applicable to the collection and dispersal of all fees collected under the Water Use Mitigation Program in the Town of Wenham. These guidelines are effective as of _____.

Fee Handling

1. All impact fees will be collected by the Permitting Office and be subject to the same departmental turnover process as all other monies collected and as described in detail in the Town's Financial Policies.
2. All impact fee funds collected are to be forwarded to the Town Treasurer.
3. Town Treasurer shall deposit impact fee funds into a designated Water Usage Mitigation Fund established pursuant to M.G.L. Chapter 44, Section 53E1/2.
4. The Board of Water Commissioners may withdraw funds for expenditure for conserving water resources, reducing demand upon the public water supply, and/or water use mitigation, up to an annual expenditure limit of \$10,000 in accordance with the approved Departmental Revolving Fund accounts under M.G.L. Chapter 44, Section 53 E ½.

Program Administration

1. The Board of Water Commissioners will be the responsible for the administration and execution of water use mitigation projects under the direction of the Water Superintendent.
2. The Board of Water Commissioners will solicit Town residents to identify residents interested in receiving water savings devices and appliances at reduced cost. A list of these residents will be maintained at all times.
3. The Board of Water Commissioners will solicit bids to supply water savings devices and/or appliances upon collection of sufficient number of interested residents to make bidding appropriate in the judgment of the Superintendent.
4. The Board of Water Commissioners may expend funds for water conservation education and outreach efforts, including programs for residents to participate in or attend.
5. The Board of Water Commissioners may expend WUMP funds to defray salary and administration costs for the program.
6. The number and types of water mitigation measures will be tracked by calendar year. The Board of Water Commissioners will estimate water savings for the mitigation devices installed.



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

PERMITTING OFFICE

TEL 978-468-5520 Ext. 4

FAX 978-468-8014

WATER USE MITIGATION PROGRAM (WUMP) CALCULATION FORM

The Wenham Water Use Mitigation Program [WUMP] has been implemented to collect a fee to fund water savings projects to mitigate new water demand. The WUMP program is applicable to projects which: (1) Require a building permit for new construction or an additional dwelling unit (including special permits for accessory apartments); (2) Represent a new or increased water demand; and (3) Residential projects of three (3) or more dwelling units and all commercial projects are subject to the WUMP impact fee. This form is an aid for calculation of a project's WUMP Fee. **Any questions may be directed to the Permitting Coordinator, 978-468-5520 x. 4, permitting@wenhamma.gov**

OWNER AND AGENT INFORMATION

Project Address: _____

Owner Name: _____ Phone: _____

Agent Name (if applicable): _____ Agent Phone: _____

Project Mailing Address (if applicable): _____

PROJECT INFORMATION

1. Does this project create a new dwelling unit? NO ☐ YES ☐
 - a. If YES, how many? _____
2. Have disposal works construction (septic) plans been submitted to the Board of Health?
 - a. NO ☐ YES ☐
3. What is the total number of bedrooms being constructed? _____
 - a. Attach a listing of units with street address, map and lot number, & unit number (if applicable) with total bedroom count for each street address/unit

Development Type	Fee	Number of Units
Residential — 1 Bedroom	\$550/unit	
Residential — 2 Bedroom	\$1,100/unit	
Residential — 3 Bedroom	\$1,650/unit	
Residential -- 4 Bedroom	\$2,200/unit	
Residential – Multi-unit	\$5.50/gpd/unit	

4. Does the property have any commercial use?
 - a. NO ☐ YES ☐

Signature of Owner: _____ Date: _____

Signature of Agent: _____ Date: _____

FOR TOWN USE ONLY

Board of Health: _____ Date: _____

Building Inspector: _____ Date: _____

Water Superintendent: _____ Date: _____

Permitting Coordinator: _____ Date: _____

Check Number: _____ Date of Payment: _____

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

K.

**Potential Approval of Authorization to Exceed
FY19 Snow and Ice Budget**

(5 Minutes)

- Draft Motion
- Memo regarding Authorization to Exceed Snow & Ice Budget from Bill Tyack, DPW Director, March 14, 2019

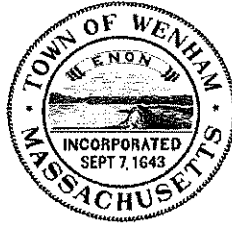
BOARD OF SELECTMEN MEETING

March 19, 2019

DRAFT MOTION

- Vote: I move to authorize the DPW to exceed the appropriated amount of \$70,000 in the FY18 Snow & Ice Expense Budget.

Seconded / Discussion/ Vote



**Town of Wenham
Highway Department
Wenham, MA 01984**

TEL: 978-468-5520 Ext 6

FAX: 978-468-8014

March 14, 2019

**TO: The Board of Selectmen
Finance Advisory Committee**

RE: Authorization to Exceed Snow & Ice Budget

Due to the costs of sand, salt, ice ban and the many repairs we have had to make on plows, sanders and the sidewalk machine, I am approaching the \$70,000.00 budget set aside for our Snow & Ice Expenses Account (01-423-5200-0000)

The current balance of the Snow & Ice Expense Account is \$14,144.103 and the current balance of Snow Removal Salary & Wages after 03/13/2018 will be 9,993.040

If we have one or two more storms in March or April I will exceed the Expense Budget.

We are still within the snow season and it is expected that there will be additional expenses that will be incurred before this budget can be closed for the Fiscal Year 2019. Therefore, the Highway Department is requesting that the two boards vote to allow the expense budget to exceed the appropriation and for the excess amount possibly to be raised on the recap sheet in the next fiscal year.

Thank you for your immediate attention to this matter and we will update you with information as soon as the snow season is closed out. Please let me know if I can answer any questions.

**Bill Tyack
DPW Director**

Cc: Peter Lombardi, Town Administrator

BOARD OF SELECTMEN MEETING

March 19, 2019

NEW BUSINESS

L.

**Other matters, as may not have been reasonably
anticipated by the Chair
(Discussion Only)**

BOARD OF SELECTMEN MEETING

March 19, 2019

OLD BUSINESS

M.

Maple Woods Senior Affordable Housing Project

Update

(10 Minutes)

CH