

**CAPE COD COMMISSION**

**AFFORDABLE HOUSING RESTRICTION**

(Property Address: 820 Harwich Road, Brewster, MA)

Brewster ALF Property, L.L.C., a Delaware limited liability company having an address of c/o Aviv REIT, Inc., 303 West Madison Street, Suite 2400, Chicago, Illinois 60606, its successors and assigns (the "Declarant"), hereby declares, establishes and states, for the benefit of BARNSTABLE COUNTY, a Massachusetts body politic, acting by and through the Cape Cod Commission, having an address of 3225 Main Street, PO Box 226, Barnstable, Massachusetts 02630 (the "County"), that all of the Premises (as such term is defined below) shall henceforth be subject to the following described Affordable Housing Restriction and the Affordable Housing Restriction shall run with title to the Premises and be binding upon all parties having any right, title or interest in that certain parcel of land, together with all the buildings and improvements now or hereafter situated thereon, located at 820 Harwich Road, Route 124 Brewster, Massachusetts, as described in more detail in Exhibit A attached hereto ("Premises").

WHEREAS, the Declarant is the successor to the original recipient of a Development of Regional Impact Permit, Project TR #12002, dated August 2, 2012, as amended (the "DRI Permit") from the County to allow for construction of an assisted living residential development at the Premises to be known as "Maplewood at Brewster" consisting of 66 assisted living units (all one bed-room units) and 66 memory care units (all studio units) for a total of 132 units (the "Project").

WHEREAS, condition AHC1 of the DRI Permit requires the perpetual affordability of seven (7) assisted living units and seven (7) memory care units at the Project to be rented to Eligible Tenants (as defined below) at such rental rates as hereinafter provided (the "Affordable Units").

WHEREAS, the Declarant will not operate the Project and has entered into a triple net lease of the Project with Maplewood Brewster, LLC, as tenant ("Maplewood"), whereby Maplewood has agreed to lease and operate the Project as an assisted living and memory care facility.

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 acknowledge, the terms of this Affordable Housing Restriction, authorized by M.G.L. c. 184, §§31-33 and otherwise by law, are as follows:

1. Purpose. The purpose of this Affordable Housing Restriction is to assure that the Affordable Units (as defined below) will be perpetually retained as affordable in accordance with the DRI Permit.

2. Scope. The Declarant declares, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Affordable Housing Restriction regulating and restricting the use, occupancy and transfer of the Premises (i) shall be and are covenants running with the Premises, encumbering the Premises in perpetuity, binding upon the Declarant's successors in title and all subsequent owners and operators of the Premises (each an "Operator"; including, but not limited to, Maplewood), and (ii) shall bind the Declarant, each Operator and their respective successors and assigns (and the benefits shall inure to the County and to any present or prospective tenants of the Affordable Units); provided, however, that the Declarant, each Operator, and each successive owner of all or any portion of the Project shall be liable only for the obligations accruing during the period of their respective ownership and/or operation of the Project.

3. Duration Not Limited. This perpetual Affordable Housing Restriction is intended to be construed as an affordable housing restriction as defined in Section 31 of Chapter 184 of the Massachusetts General Laws which has the benefit of Section 32 of said Chapter 184, such that the restrictions contained herein shall not be limited in duration by any rule or operation of law. The Declarant hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for this Affordable Housing Restriction to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are intended to be satisfied, or in the alternative, that an equitable servitude has been created to insure that this Affordable Housing Restriction runs with the land.

4. Subsequent Conveyances. Each and every contract, deed or other instrument hereafter executed conveying the Premises or portion thereof shall expressly provide that such conveyance is subject to this Affordable Housing Restriction, provided, however, that failure to do so shall not be a default hereunder and the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Premises or portion thereof provides that such conveyance is subject to this Affordable Housing Restriction.

5. Permitted Use. The Premises shall be used for the Project and the Affordable Units shall be provided as follows:

- 7 of the Affordable Units shall be assisted living units; and
- 7 of the Affordable Units shall be memory care units.

The Affordable Units are identified on the Exhibit B attached hereto.

The construction of the Project shall meet all applicable codes, regulations, statutes and zoning ordinances of the Town of Brewster and all applicable codes, regulations and statutes of the Commonwealth of Massachusetts. The Affordable Units shall be randomly scattered within the Project. The Premises will be perpetually retained as affordable in accordance with the DRI Permit and this Affordable Housing Restriction.

6. Tenant Selection.

(a) Nondiscrimination. The Operator shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. The Operator shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project to a holder of a federal or state rental certificate or voucher. The parties acknowledge that the building in which the Project is located is a non-smoking facility and that smokers may accordingly be excluded as residents, visitors, or otherwise.

(b) Selection Policies for the Affordable Units. The Operator shall adopt and submit to County for approval resident selection policies and criteria for the Affordable Units acceptable to County that provide for (i) the selection of residents from a written waiting list in the chronological order of their application, insofar as practicable, or a lottery, and (ii) the prompt written notification to any rejected applicant of the grounds for any rejection. An Eligible Tenant is subject to a health assessment by the Operator to ensure that the Operator can meet the health needs of the Eligible Tenant. If the Operator determines that such Eligible Tenant does not require the services of the Operator or requires more services than the Operator provides, the Eligible Tenant will not be offered an Affordable Unit. The Operator shall also provide the County with an affirmative marketing plan for the Affordable Units reasonably acceptable to the County. The approved marketing plan and the approved resident selection policies and criteria shall be adhered to by the Operator in every material respect.

7. Income and Rent Restrictions for the Affordable Units.

(a) During the term of this Affordable Housing Restriction, one hundred percent (100%) of the Affordable Units in the Project shall be leased exclusively to an Eligible Tenant. An "Eligible Tenant" is an individual whose annual gross income does not exceed eighty percent (80%) of the most current Area (as hereafter defined) median income (the "Maximum Income") as determined by the U.S. Department of Housing and Urban Development ("HUD"). The "Area" is defined as Barnstable Town MSA. An Eligible Tenant's annual gross income shall be the anticipated total income from all sources received by the individual, including all net income derived from assets for the 12-month period following the effective date of certification of income. Annual income specifically includes and excludes certain types of income as set forth in, and shall be determined in accordance with, 24 C.F.R. § 5.609 (or any successor regulations).

(b) The monthly rent charged to Eligible Tenants of the Affordable Units in the assisted living facility, inclusive of the standard resident package of services as described in AHC1 of the DRI and set forth in Exhibit D, shall not exceed seventy-five percent (75%) of the income of a 1.5 person household whose annual gross income is eighty percent (80%) of the median income for the Area (the "Maximum Monthly ALF Rents"). The initial Maximum Monthly ALF Rents are defined in Exhibit C. Maximum Monthly ALF Rents shall be adjusted as provided herein.

(c) The monthly rent charged to Eligible Tenants of the Affordable Units in the memory care unit, inclusive of the standard resident package of services as described in AHC1 of the DRI Permit and set forth in Exhibit D, shall not exceed seventy-five percent (75%) of the

income of a one person household whose annual gross income is eighty percent (80%) of the median income for the Area (the "Maximum Monthly MC Rents"). The initial Maximum Monthly MC Rents are defined in Exhibit C. Maximum Monthly MC Rents shall be adjusted as provided herein. Maximum Monthly ALF Rents and Maximum Monthly MC Rents may be referred to collectively as "Maximum Monthly Rents".

8. Income Certifications for the Affordable Units. The determination of whether an individual occupying an Affordable Unit meets the income requirements set forth herein shall be made by Operator at the time of leasing of the Affordable Units in the Project and thereafter at least annually on the basis of the current income of such individual. Operator shall maintain as part of its Project records copies of all leases of the Affordable Units in the Project and all initial and annual income certifications by tenants of the Affordable Units in the Project. Within 60 days after the end of each calendar year of occupancy of any portion of the Project, the Operator shall provide to the County annual reports consisting of certifications regarding the annual and monthly gross income of each individual occupying an Affordable Unit at the Project. With respect to individuals who moved to an Affordable Unit at the Project in the prior year, the annual report shall also include certification of such individuals at the time of their initial occupancy at the Project.

Any Affordable Unit occupied by an Eligible Tenant at the commencement of occupancy shall be deemed an Affordable Unit so long as (i) such unit continues to be rent restricted and (ii) the tenant's income does not exceed 110% of the Area Median Income. If at any time fewer than the required number of Affordable Units are leased, rented or occupied by an Eligible Tenant, vacant Unit(s) will be made available for lease to an Eligible Tenant(s) pursuant to the Marketing Plan until the required number of Units occupied by Eligible Tenants is again obtained. The foregoing provision shall be applied so as to maintain a mix of Affordable Units that is comparable in size, features, and number of bedrooms to the originally-designated Affordable Units herein (i.e., a Unit will not be considered an available Unit for purposes of this Paragraph if classification of such Unit as an Affordable Unit would cause the then current mix of Affordable Units to no longer be comparable to the original mix of Affordable Units described in Section 5 above and as shown on Exhibit B). The annual reports shall be in a form approved by the County and shall contain such supporting documentation as the County shall reasonably require. In addition to the foregoing, Operator shall keep such additional records with respect to the Affordable Units and prepare and submit to County such additional reports with respect to the Affordable Units as County may reasonably deem necessary to ensure compliance with the requirements of this Affordable Housing Restriction.

9. Rent Schedules for the Affordable Units. Prior to initial occupancy of the Affordable Units in the Project and annually thereafter as part of the annual reports required under Section 8 above, Operator shall submit to County a proposed schedule of Maximum Monthly Rents for all the Affordable Units in the Project. Such schedule shall be subject to the approval of County for compliance with the requirements of Section 7 above. After approval of a schedule of Maximum Monthly Rents by County, rents for Affordable Units shall not be increased without the County's prior approval not to be unreasonably withheld, delayed or conditioned of either (x) a specific request by Operator for a rent increase or (y) the next annual schedule of rents and allowances. Notwithstanding the foregoing, rent increases shall be subject

to the provisions of outstanding leases and shall not be implemented without at least 30 days' prior written notice by Operator to all affected tenants.

10. Lease Form for the Affordable Units. The Operator shall not include in any lease for an Affordable Unit in the Project any of the following provisions:

- (i) Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Operator in a lawsuit brought in connection with the lease.
- (ii) Agreement by the tenant that the Operator may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit or deceased. The Operator may dispose of such personal property in accordance with state law.
- (iii) Agreement by the tenant not to hold the Operator or the Operator's agents legally responsible for any action by Operator or failure to act by Operator, whether intentional or negligent.
- (iv) Agreement of the tenant that the Operator may institute a lawsuit without notice to the tenant.
- (v) Agreement by the tenant that the Operator may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- (vi) Agreement by the tenant to waive any right to a trial by jury. This shall not restrict the Operator or tenant from electing alternative dispute resolution in lieu of litigation, to the extent permitted by law; provided that participation in such alternative dispute resolution is voluntary and not required of Operator or tenant.
- (vii) Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease. This shall not restrict the Operator or tenant from electing alternative dispute resolution in lieu of litigation, to the extent permitted by law; provided that participation in such alternative dispute resolution is voluntary and not required of Operator or tenant.
- (viii) Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court or dispute resolution proceeding by the Operator against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

All leases for Affordable Units in the Project shall be for terms of not less than one (1) year, unless by mutual agreement between the tenant and Operator, and shall require tenants to provide information required for the Operator to meet its reporting requirements hereunder. Operator may not terminate the tenancy or refuse to renew the lease of an occupant of an Affordable Unit of the Project except (i) for serious or repeated violation of the terms and conditions of the lease; (ii) for violations of applicable federal, state or local law; or (iii) for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days written notice from Operator to tenant specifying the grounds for the action.

11. Notice of Sale. Within thirty (30) days after any conveyance, lease or transfer of the Premises, the transferee shall notify the Commission in writing and provide copies of the conveyance, lease or transfer documents and the notice address for the transferee.

12. No Demolition. The Declarant and Operator shall not demolish any material part of the Project or substantially subtract from any material real or personal property of the Project except if required by law unless after such action the ratio of Affordable Units to total number of remaining Units in the Project is in conformity with the DRI Permit in conjunction with renovation or rehabilitation of the Project or construction of a new project on the Premises, in either case subject to the prior written consent of the County, which consent shall not be unreasonably withheld, conditioned or delayed. The Declarant and Operator shall not permit the use of any Affordable Unit for any purpose other than rental housing.<sup>1</sup>

13. Casualty. If the Project, or any material part thereof, shall be damaged or destroyed and the Declarant determines to rebuild and continue with the Project on the Premises, (i) the Declarant 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, subject to the approval of the lender(s) which has provided financing for the Project or (ii) if not restored or repaired or relieved, the Declarant shall maintain the same ratio of Units to total number of remaining Units in the Project as required by the DRI Permit. The Declarant represents, warrants and agrees that the Affordable Units shall thereafter, if rebuilt, continue to operate in accordance with the terms of this Affordable Housing Restriction.<sup>2</sup>

14. Inspection. Any use of the Affordable Units or activity thereon which is inconsistent with the purpose of this Affordable Housing Restriction is expressly prohibited. Operator hereby grants to County and its duly authorized representatives the right to enter the Premises upon reasonable advance notice to Operator at reasonable times and in a reasonable manner for the purpose of inspecting the Premises to determine compliance with this Affordable Housing Restriction. County shall notify Operator and Declarant in writing of any alleged non-compliance by Operator and/or Declarant of this Affordable Housing Restriction, specifying in reasonable detail the nature of such alleged noncompliance and the requested cure. Operator shall thereafter have thirty (30) days from the date of its receipt of the notice to commence the cure of the alleged noncompliance and shall thereafter use its diligent efforts to complete such cure. If Operator fails to use its diligent efforts and/or does not cause the alleged noncompliance

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to be cured, upon prior written notice from County, County may take any reasonable and appropriate action under the circumstances to cure any such violation.

15. Enforcement. Provided that the applicable notice and cure rights in Section 14 have expired, the County may enforce this Affordable Housing Restriction by appropriate legal proceedings and to obtain injunctive and other equitable relief against any violations, including without limitation relief requiring restoration of the Affordable Units to their condition prior to any such violation, and shall be in addition to, and not in limitation of, any other rights and remedies available to the County. The County shall be entitled to reimbursement for all reasonable costs and expenses (including without limitation reasonable counsel fees) incurred in enforcing this Affordable Housing Restriction or in taking reasonable measures to cure any violation hereof, provided that a violation of this Affordable Housing Restriction is acknowledged by Declarant or determined by a court of competent jurisdiction to have occurred. By its acceptance of this Affordable Housing Restriction, County does not undertake any liability or obligation relating to the condition of the Premises. If any provision of this Affordable Housing Restriction shall to any extent be held invalid, the remainder shall not be affected.

16. Further Assurances. The Declarant, Operator and/or its successors and assigns shall execute any notices or instruments appropriate to assuring the enforceability of this Affordable Housing Restriction upon County's reasonable request. The benefits of this Affordable Housing Restriction shall be in gross and shall be assignable by the County to another successor governmental entity.<sup>3</sup> The Declarant and the County intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval of the date of filing or recording of any instrument evidencing such approval.

17. Notice. Any notice, request or other communication which either party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered or if mailed by United States registered or certified mail, postage prepaid, return receipt request, to the parties at their respective addresses set forth below or such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by first class mail shall be deemed given two (2) days after mailing; a notice delivered by hand shall be deemed given upon receipt.

If to Declarant:           Brewster ALF Property, L.L.C.  
                                  c/o Aviv REIT, Inc.  
                                  303 West Madison Street  
                                  Suite 2400  
                                  Chicago, Illinois 60606  
                                  Attention: Craig Bernfield

If to Operator:           Maplewood Brewster, LLC

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c/o Maplewood Senior Living  
One Gorham Island  
Westport, CT 06880  
Attn: General Counsel

If to County:

Cape Cod Commission  
3225 Main Street, PO Box 226  
Barnstable, Massachusetts 02630  
Phone: (508) 362-3828  
Fax: (508) 362-3136  
Attn: Affordable Housing Specialist

18. Amendment, Waiver. This Affordable Housing Restriction may not be amended without the written consent of the parties, nor may any obligation hereunder be waived or released, without first obtaining the written consent of the County, which consent shall not be unreasonably withheld or delayed.

19. Documentary Stamps. No documentary stamps are required as this Affordable Housing Restriction is not being purchased by the County.

[Continued Next Page for Signatures]



Executed under seal as of this 19<sup>th</sup> day of December, 2014.

DECLARANT:


BREWSTER ALF PROPERTY, L.L.C.,  
a Delaware limited liability company

By: AVIV FINANCING I, L.L.C., a Delaware limited liability  
company, its sole member

By: AVIV HEALTHCARE PROPERTIES  
OPERATING PARTNERSHIP I, L.P., a Delaware  
limited partnership, its sole member

By: AVIV HEALTHCARE PROPERTIES  
LIMITED PARTNERSHIP, a Delaware  
limited partnership, its general partner


By: AVIV REIT, INC., a Maryland  
corporation, its general partner

By:   
Name: Steven J. Insoft  
Its: President and COO

STATE OF ILLINOIS     )  
  )  
COUNTY OF COOK     )

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Steven J. Insoft, personally known to me to be the same person whose name is subscribed to the foregoing instrument as the President and COO of AVIV REIT, INC, a Maryland corporation, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 19<sup>th</sup> day of December, 2014.

  
Notary Public

My Commission Expires: 4/9/2018



The undersigned, as Operator, hereby acknowledges and agrees to be bound by the foregoing Affordable Housing Restriction.

MAPLEWOOD:

MAPLEWOOD BREWSTER, LLC, a Connecticut limited liability company

By: \_\_\_\_\_  
Name: Gregory D. Smith  
Title: Manager

STATE OF CONNECTICUT )

ss.: Westport

COUNTY OF FAIRFIELD )

The foregoing instrument was acknowledged before me this 19 day of December, 2014, by Gregory D. Smith, the Manager of Maplewood at Brewster, LLC, a Connecticut limited liability company, on behalf of the limited liability company.

Commissioner of the Superior Court/  
Notary Public  
Commission Expires

MELISSA ALGARIN  
NOTARY PUBLIC OF CONNECTICUT  
My Commission Expires 1/31/2019

ACCEPTANCE OF DECLARATION BY COUNTY

The above Affordable Housing Restriction is accepted this 7<sup>th</sup> day of ~~December~~ January,  
2014: 2015

BARNSTABLE COUNTY

By: [Signature]

By: [Signature]

By: [Signature]  
As County Commissioners

COMMONWEALTH OF MASSACHUSETTS

Barnstable,ss

On this 7<sup>th</sup> day of January, 2015, before me, the undersigned Notary Public,  
personally appeared M. Pat Flynn, Sheila Lyons and Leo Caloures who proved to me through satisfactory  
evidence of identification, which were personal knowledge to be the  
persons whose names are signed on the preceding or attached document, and acknowledged to  
me that they signed it voluntarily for its stated purpose.

[Signature]  
(Official Signature and Seal of Notary)

EXHIBIT A

Property Description

**LEGAL DESCRIPTION**

A certain parcel containing 22.59 acres more or less as shown on Plan Book 611, Page 21.

EXHIBIT B

Maplewood at Brewster

Affordable Units – Assisted Living Units

Apartment Number	Bedrooms	Approx. Square Feet
*272	studio	428
168	one bedroom	515
188	studio	421
190	one bedroom	515
262	one bedroom	515
266	one bedroom	509
289	one bedroom	515

Number of Affordable Units 7  
\*Handicap Accessible Unit

Affordable Units – Memory Care

Apartment Number	Bedrooms	Approx. Square Feet
*140	studio	440
026	studio	341
032	studio	341
058	studio	341
128	one bedroom	548
126	studio	443
114	studio	443

Number of Affordable Units 7  
\*Handicap Accessible Unit

EXHIBIT C

Re: Maplewood at Brewster

Initial Maximum Monthly Rents for Affordable Units

	<u>Rent</u>
Assisted Living Unit	\$2997*
Memory Care Unit	\$2797**

\* Of this total, the rent portion equals \$877.00 based on the 2014 HUD High HOME Rent Limit Schedule.

\*\* Of this total, the rent portion equals \$787.00 based on the 2014 HUD High HOME Rent Limit Schedule.

## EXHIBIT D

### Maplewood at Brewster

The standard resident package of services for Assisted Living Units shall include:

- A. Assisted Living Housing Unit (one bedroom);
- B. Electric and HVAC utilities;
- C. One meal (dinner) per day;
- D. Standard housekeeping services;
- E. 45 minutes per day of hands-on direct care relating to life care needs with activities of daily living (ADL) with a nurse's assistant;
- F. Standard facility-wide transportation (i.e., shuttle to shopping, etc.);
- G. Emergency call system for each residential unit;
- H. Social, recreational, and health promotion activities; and
- I. Access to onsite bank, hair salon, therapy and massages, and clinic.

Not included and subject to additional costs are the following:

- A. Additional meals per day;
- B. Cable TV, telephone, and internet access;
- C. Apartment furnishings;
- D. Additional hands-on daily care (ADL);
- E. Prescriptions and medications; and
- F. Medical or physician-oriented treatment.

The standard resident package of services for Memory Care Units shall include:

- A. Memory Care Housing Unit (studio that includes a sleeping area);
- B. Electric and HVAC utilities;
- C. Three (3) meals per day;
- D. Standard housekeeping services;
- E. Nursing care as needed;
- F. Hands-on direct care relating to life care needs (ADL) as needed;
- G. Standard facility-wide transportation;
- H. Emergency call system for each residential unit;
- I. Social, recreational, and health promotion activities; and
- J. Access to onsite bank, hair salon, therapy and massages, and clinic.

Not included and subject to additional costs are the following:

- A. Cable TV, telephone, and internet access (all only as appropriate);
- B. Apartment furnishings;
- C. Prescriptions and medications; and
- D. Additional medical or physician-oriented treatment.