

Site Control

Site control demonstrated by the following "Agreement to Lease".

There is no pending litigation regarding the site or its development.

AGREEMENT TO LEASE

This AGREEMENT TO LEASE (the "Agreement") entered this 8th day of August, 2012, between Hancock Village I LLC, a Massachusetts limited liability company, having its principal office at c/o Chestnut Hill Realty Corp., 300 Independence Drive, Chestnut Hill, Massachusetts 02467 ("Lessor") and **The Residences of South Brookline, LLC**, a Massachusetts limited liability company, having its principal office at c/o Chestnut Hill Realty Corp., 300 Independence Drive, Chestnut Hill, Massachusetts 02467, (the "Lessee").

WHEREAS, Lessee has agreed to ground lease from Lessor, and Lessor has agreed to ground lease to Lessee, the real estate together with the right to develop the real estate (collectively, the "Real Estate") shown on **Exhibit A** hereto which ground lease (the "Ground Lease") shall be upon the business terms and conditions set forth in **Exhibit B** to this Agreement;

NOW, THEREFORE, in consideration of the payment of Ten and 00/100 (\$10.00) Dollars by Lessee to Lessor, and the mutual agreements contained herein and other good and valuable consideration, the adequacy and sufficiency of all of which consideration the parties hereby acknowledge, Lessee and Lessor agree to the terms hereof.

WITNESSETH

1. No later than December 31, 2012, Lessee and Lessor shall enter into a Ground Lease with Lessor for the Real Estate, together with all improvements located thereon and thereunder. Between the date of execution of this Agreement to Lease and the conclusion of the Permitting Period (defined below), Lessee shall pay to Lessor annually the sum of \$5,000.00 per year in advance as rent commencing on the date hereof and each twelve (12) month anniversary thereof.

2. Except as otherwise provided in Section 4 below, Lessee and Lessor shall promptly and in good faith negotiate and execute the Ground Lease document upon the terms contemplated in this Agreement, and such other terms which would be consistent with Lessee's intended use of the Real Estate and Lessor's continuing operation of its adjoining property. The Ground Lease shall be executed no later than December 31, 2012.

3. Except as otherwise provided in Section 4 below, the basic business terms of the Ground Lease shall be as set forth in **Exhibit B** attached here to and made a part hereof.

4.

a. During the period between the date of this Agreement and the date on which the Ground Lease is executed and thereafter during the Permitting Period, Lessee shall use diligent efforts and pay all costs required to pursue and obtain from all governmental and quasi-governmental agencies all approvals and permits, with all appeal periods expired without appeal having been taken or if appeal is taken with such appeal being finally decided in Lessee's favor on terms satisfactory to Lessee (the "Approvals"), deemed necessary and required by Lessee for site work and construction at and use of the Real Estate for 271 units of multi-family housing (collectively, the "Improvements"), of such design and under such government programs as Lessee may elect.

b. Lessee and its authorized representatives shall be entitled to full access to the Property to the extent necessary, in Lessee's judgment to perform tests, studies and surveys of the property and for such other reasons as Lessee shall deem needed or desirable. Provided, however, Lessee agrees that nei-

ther it nor its representatives or contractors shall unreasonably interfere with Lessor's operation of the remainder of the property adjacent to the Real Estate.

c. Lessee shall be entitled to and is hereby authorized by Lessor to apply for and seek the Approvals in its own name or in the name of Lessor, to the extent pursuing such Approvals in the name of Lessor is required by applicable law, bylaw or regulation. To the extent Lessor's written consent, joinder or approval is needed for any of the petitions for the Approvals, Lessor agrees to provide the same and to cooperate with Lessee in all reasonable respects, provided that Lessor is not required to incur out-of-pocket cost with respect to such cooperation.

5.

a. This Agreement and the Ground Lease shall be subject to the condition that on or before December 31, 2017 (the "Permitting Period") Lessee has received the Approvals.

b. In addition to the payment of the sums payable by Lessee as set forth in Paragraph 1 hereof, the consideration for the Permitting Period granted herein shall be Lessee's continuing efforts and costs in seeking to obtain the Approvals.

c. In the event that Lessee shall not have obtained the Approvals by the end of the Permitting Period, then either Lessee or Lessor, upon written notice to the other, may terminate this Agreement or the Ground Lease, as applicable.

6. The Real Estate will be leased by Lessor to Lessee free and clear of all liens, and free from all restrictions, easements and encumbrances which would materially and adversely interfere with Lessee's intended development, or the permanent or construction financing or the use of the Property. Lessor and Lessee agree that the Ground Lease will include such easements and agreements necessary to allow free and uninterrupted access and egress, slope and bank easements and utility use and installation easements, and such other easements, covenants and agreements which will not unreasonably interfere with Lessor's continued use of its adjacent land and buildings.

7. In the event Lessor defaults in the performance of the terms of this Agreement, Lessee shall be entitled to all remedies that Lessee may have at law or in equity including, but not limited to, the equitable remedy of specific performance. In the event Lessee fails to enter into the Ground Lease (except in the event of Lessor's default) upon the terms and conditions set forth herein on or before December 31, 2012, Lessor shall retain the rent then paid hereunder be entitled to retain and use all work product produced by Lessee in seeking the Approvals and this Agreement shall be void and without further recourse.

8. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns.

9. The laws of the Commonwealth of Massachusetts shall govern the validity, construction, enforcement and interpretation of this Agreement.

10. Time is of the essence with respect to this Agreement and the obligations and performance of the parties hereunder.

11. This Agreement may only be amended, supplemented or terminated only by an instrument in writing executed by the party against whom enforcement is sought.

12. Notices. All notices and other communications by either party hereunder shall be in writing and shall be personally delivered or transmitted by telegram, telecopier or telex, or shall be mailed United States registered or certified mail, return receipt requested, postage prepaid, to the other respective party at its address indicated below, or at such other address as such other party shall designate by notice. A notice or other communication to a party shall be effective the date of delivery to such address of the party. Any official U.S. Postal Service delivery receipt shall constitute conclusive proof of such delivery.

Lessor: Hancock Village I LLC
c/o Chestnut Hill Realty Corp.
300 Independence Drive
Chestnut Hill, MA 02467

With a copy to:
Bernkopf Goodman LLP
125 Summer Street, Suite 1300
Boston, MA 02110
Attention: Kenneth M. Goldberg, Esquire

Lessee : The Residences of South Brookline, LLC
c/o Chestnut Hill Realty Corp.
300 Independence Drive
Chestnut Hill, MA 02467

With a copy to:
Bernkopf Goodman LLP
125 Summer Street, Suite 1300
Boston, MA 02110
Attention: Gary P. Lilienthal, Esquire

EXHIBIT A

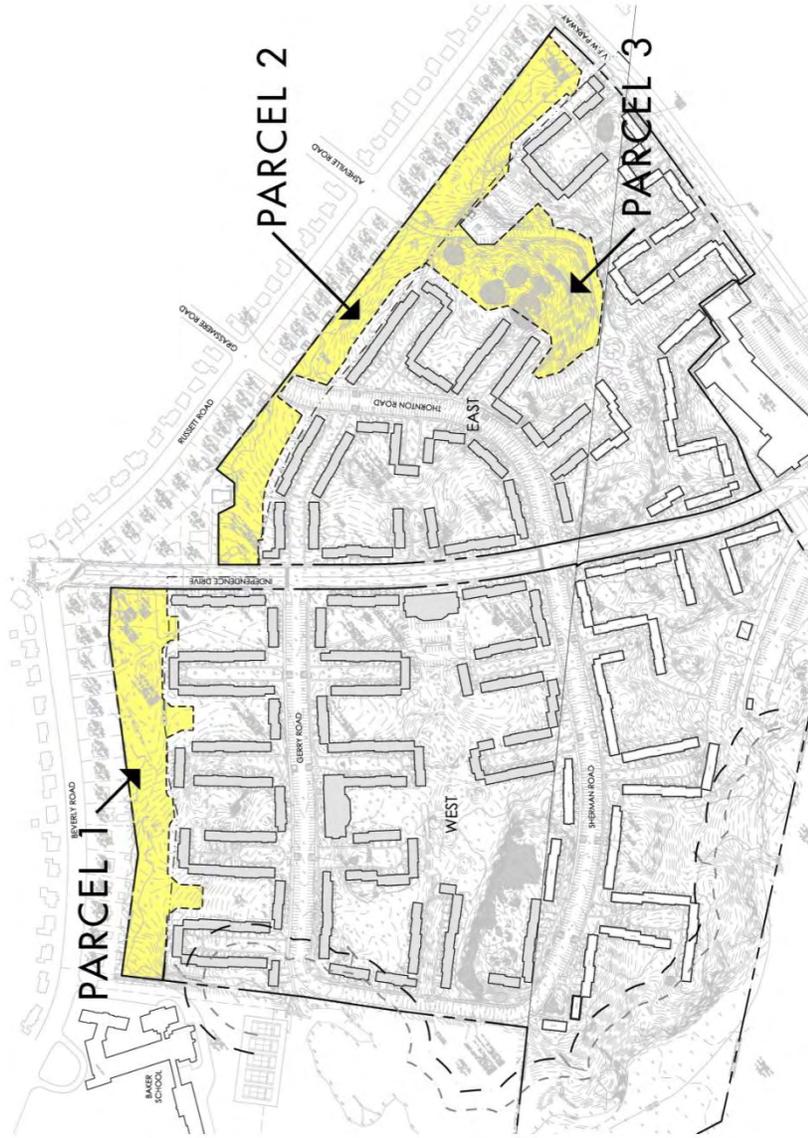


EXHIBIT A

RESIDENCES OF SOUTH BROOKLINE - LAND LEASE AREA
Scale: 1" = 300'-0"
STATITEC PLANNING AND LANDSCAPE ARCHITECTURE
August 08, 2012

EXHIBIT B

**TERMS AND CONDITIONS TO
AGREEMENT TO LEASE**

Term: Ninety-nine (99) years with two (2) twenty-five (25) year renewal options

Base Rent: (a) The Lease will provide for Base Rent Ground Lease payments of \$485,000.00.

(b) Base Ground Rent during the period which is the sooner to occur of (x) receipt of Certificates of Occupancy ("CO's") for 271 residential units; or (y) five (5) years from receipt of the Approvals, shall be as follows:

(i) \$5,000.00 per year until the Approvals have been obtained in accordance with Paragraph 2(i) of this Agreement to Lease;

(ii) Upon receipt of all Approvals and until the first to occur of (x) two (2) years after receipt of the Approvals; or (y) receipt of Certificates of Occupancy for no fewer than 70 units, ("70 C.O.s"), \$60,000 per annum payable in equal monthly payments of \$5,000.00 each in advance;

(iii) Upon the first to occur of (x) three (3) years after receipt of the Approvals; or (y) receipt of C.O.s for 140 units, \$150,000 per annum payable in equal monthly payments of \$12,500.00 each in advance;

(iv) Upon the first to occur of (x) four (4) years after receipt of the Approvals; or (y) receipt of C.O.s for 210 units, \$300,000 per annum payable in equal monthly payments of \$25,000.00 each in advance;

(v) Upon the first to occur of (x) receipt of C.O.'s for 271 units or (y) five (5) years from receipt of the Approvals, rent shall be \$485,000 per annum payable in equal monthly payments of \$40,416.67 each in advance for the balance of the term, subject to increase as set forth in the immediately following paragraph.

(c) On that date which is the first day of the one hundred twentieth (120th) calendar month after the Approvals have been obtained (the "CPI Increase Date"), the Base Ground Lease Rent payable hereunder will be increased, but not decreased, by fifty percent (50%) of the percentage increase between the CPI on the first day of the immediately succeeding month after the Approvals have been obtained and that date which is the first day of the next calendar month following the CPI Increase Date. Thereafter, Base Ground Lease Rent shall be similarly increased, but not decreased, for each one hundred twenty (120) month anniversary of each such date. The term "CPI Index" shall mean the Consumer Price Index for All Urban Consumers (1982-1984 = 100), Boston Metropolitan Area - All Items published by the United States Department of Labor, Bureau of Labor Statistics (the "Bureau"). In the event that (i) the Bureau ceases to use the 1982-1984 average of 100 as the basis of calculation and the Bureau does not recalculate the then applicable CPI number for all

years including 1982-84, or (ii) the CPI shall be discontinued for any reason, then the parties shall thereafter accept and use such other CPI Index or comparable statistics on the cost of living as shall be computed and published by an agency of the United States or by The Wall Street Journal, if available, and otherwise by a responsible financial periodical of recognized authority mutually acceptable to Lessor and Lessee. In the event of the use of comparable statistics of the CPI Index as above mentioned, there shall be made in the method of computation provided for, such revisions as the circumstances may require to carry out the intent of the parties as set forth herein.

Additional Rent: The Lease is a fully (triple) net lease. Lessor will NOT be required to pay any cost or expense with respect to the Real Estate, as the same may be improved by Lessee, including, without limitation: real estate and property taxes, insurance, maintenance and/or repair, operating expenses, construction costs, provision and cost of utilities, legal compliance, costs for Approvals, penalties, and site work and improvements.

Insurance: Property and Casualty and Public Liability and Property Damage are Lessee's sole responsibility. Lessor to be named as additional insured.

Mortgage Rights: Lessor to agree to full recognition of lender's rights to assure lender that lender's lien on the ground lessee's interest will continue in the event of Lessee's default including entry into a new lease on same terms for remaining term in the event lender, or its successor assumes Lessee's position, provided Lease is brought and remains current. Lessor's fee simple interest shall NOT be made subordinate to lender's rights.

Improvements: Lessee shall construct, at its sole cost and expense, the Improvements and sitework consistent with the Approvals and pursuant to plans and specifications (the "Plans") which have been submitted to and approved by Lessor in advance of commencement of construction. Lessor shall also have the right of approval of any material change to the Plans. Lessee shall keep Landlord apprised, at all times, of the status of construction of the Improvements. Upon commencement of construction, Lessee will provide Lessor with a construction schedule which shall detail the phases of construction of the units over a period of not more than five (5) years, with each phase not exceeding twenty-four (24) months for the first phase and eighteen (18) months for each subsequent phase. Lessee agrees to logically phase and control construction so as to provide minimum interruption of and interference with existing uses on Lessor's adjoining property. In the event that Lessee has not, except for factors beyond its reasonable control, for which commensurate additional time will be added, completed construction of the total number of units allowed under the Approvals on that date which is six (6) years after the date of the Approvals, then Lessee shall lose the right to further develop remaining units. The restriction in the immediately preceding sentence shall not apply to the holder of an arm's length mortgage.

Demolition: Lessee may, upon both of:

(a) receipt of all Approvals and execution of the Ground Lease by both Lessee and Lessor; and

(b) release of any current mortgage holder's interest in the Real Estate, except for continuing easement and rights of way,

demolish, at Lessee's sole cost and expense, in accordance with the Plans, permits and approvals and so as not to interfere with Lessee's use of or access to or egress from its remaining property and improvements, such improvements located upon the Real Estate as shown on the Plan approved by Lessor.

Legal Compliance: Lessee shall be fully responsible for the continuing legal compliance of the Real Estate, including, without limitation, the Improvements. Lessee agrees to accept the Real Estate in its "AS IS" condition.

Mutual Rights: Lessor and Lessee shall enter into necessary cross-easements and agreements for the orderly operation of the Improvements and Lessor's remaining property. Lessee understands that such easements and agreements shall be subject to approval by Lessor's mortgage holder(s).

Approvals: Lessee shall diligently apply for and pursue, at its sole cost and expense, the Approvals in accordance with this Agreement to Lease. Lessor shall agree to recognize and not disturb the Approvals, once issued, in the event of Lessee's default under the Lease. During the Permitting Period and until the Approvals have been finally obtained, Lessee shall not place or allow there to be placed any liens on the Real Estate. During the Permitting Period, Lessee shall provide monthly reports to Lessor of the status of the Approvals and with copies of all plans, correspondence, submissions, notices, materials, and applications made or received by Lessee regarding the Real Estate and/or the Approvals together with any amendments or modifications thereto or thereof on an "as made" or "as received" basis.

Insurance and Eminent Domain Proceeds: Insurance proceeds shall be Lessee's to be used for rebuilding, except within the last two (2) years of the term when they will be Lessor's. Eminent Domain Proceeds will be allocated land value to Lessor, building value to Lessee, for rebuilding. Other terms to be negotiated consistent with similar clauses in typical ground leases.

General: Such other terms and conditions to be negotiated by and between Lessor and Lessee as would be reasonably expected in leases of this type, and upon which Lessor and Lessee may mutually agree.

Local Contact

Chief Elected Official: Betsy DeWitt, Chair, Board of Selectmen
Telephone: 617-730-2210

2008: Representatives of Chestnut Hill Realty (CHR) met with the entire Board of Selectmen in December 2008 to discuss the formation of a Hancock Village Task Force comprised of members of various Boards and Commissions as well as members of the neighborhood and direct abutters. The purpose of forming the Hancock Village Task Force was for Chestnut Hill Realty to work with the community in an organized way to add much needed rental housing units to Hancock Village. The Board thanked CHR for being proactive in the planning process and agreed to establish a committee

Starting in the spring of 2009 CHR began participating in a series of meetings with the Hancock Village Planning Committee, members of which had been appointed by the Board of Selectmen and which included a member of the Selectmen as the chairperson.

2009: Representatives of CHR met with two members of the Board of Selectmen to discuss the lack of progress by the task force and the need to have a consultant retained by the Town to prepare a fiscal impact analysis for the proposed project. Representatives of CHR offered to pay for the consultant and the Selectmen agreed this was an appropriate approach and said that they would direct the Planning Department to hire a consultant.

May 2010: The Town's consultant submitted a fiscal impact report to the Town. This fiscal impact report concluded that the proposed development would have a negative fiscal impact on the Town.

2010 - 2011: Representatives of CHR met with two members of the Board of Selectmen and the Town Administrator to inform them that CHR had significantly revised the plan so that its fiscal impact on the Town would be positive. A revised fiscal impact analysis was presented with the conclusion that the revised development program would have a positive fiscal impact on the Town. Retention of a consultant to assist in the community review process was discussed. The Town agreed to explore this further and meet with a consultant.

July 2011: Representatives of Chestnut Hill Realty met with two members of the Board of Selectmen and the Town Administrator to inform them that they would be submitting a proposal for Planning Board review for that area of Hancock Village on the east side of the project. This proposal would include 31 detached home ownership single family homes and 162 rental apartment units in a 4 story building.

October – November 2011: Representatives of Chestnut Hill Realty appeared before the full Board of Selectmen at hearings to discuss the proposed Neighborhood Conservation District Enabling By-law and the proposed Hancock Village Neighborhood Conservation District By-law.

November 2011: Representatives of Chestnut Hill Realty met with a member of the Board of Selectmen and the Town Counsel to discuss a proposed Memorandum of Understanding to agree on density, height and location of proposed development on the Hancock Village property in exchange for the Selectmen's agreement to support a "No Action" vote on the articles at Town Meeting proposing a Neighborhood Conservation District at Hancock Village. No agreement was reached.

The Hancock Village Planning Committee (HVPC) met approximately eight times between the spring of 2009 and the summer of 2011. Representatives of Chestnut Hill Realty presented a series of plan alternatives, site analyses, and fiscal impact analyses to the HVPC. In July of 2011 the HVPC had a final meeting at which its members adopted a final report suggesting no further development of apartments was acceptable for the Hancock Village site.

August 8, 2012: Chestnut Hill Realty and representatives met with Betsy DeWitt, Chair Board of Selectmen, Richard Benka, Selectman, Kara Brewton, Acting Planning Director, and Sean Cronin, Deputy Town Administrator to show them the proposed illustrative site plan for The Residences of South Brookline and inform them that CHR would be filing this Comprehensive Permit Project Eligibility Letter application with MassDevelopment.

Planning Board Meetings

September 2011: Representatives of Chestnut Hill Realty met with the Planning Board to request that its proposal for a group of detached single family homes and a multifamily apartment building for the east side of the site be designated a major project per the zoning by-law. No further action was taken by the Planning Board or Chestnut Hill Realty.

In the fall of 2011, Chestnut Hill Realty learned that one of the Selectmen had written two Warrant articles to place a Neighborhood Conservation District overlay on the entire area of Hancock Village located in the Town of Brookline. CHR believes that the intended purpose of the Warrant articles was to prevent any additional development at Hancock Village.

November 2011: Representatives of Chestnut Hill Realty met with the Planning Board to review the proposed Neighborhood Conservation District Warrant article. The Planning Board held two hearings and the majority voted against the article.

Advisory Committee, Preservation Commission, Conservation Commission and Town Meeting: Between October and November 2011 representatives of Chestnut Hill Realty met with the various Boards and Commissions listed above to oppose the proposed Neighborhood Conservation District designation on Hancock Village. In November of 2011 CHR appeared before Town Meeting to present its opposition prior to the Town Meeting vote.

Zoning Board of Appeals: None

Has the city or town adopted a local affordable housing plan? No

Site Information

The best GPS addresses to reach the proposed access points to the site are 46 Independence Drive and 45-46 Asheville Road.

Directions to the site: The project is located on the easterly and westerly sides of Independence Drive in Brookline, MA on a portion of the property known as Hancock Village. Directions to the site **from the south** require one to get onto the VFW Parkway (Route 1A) and turn onto Independence Drive. Immediately on your right will be the Hancock Village At Chestnut Hill shopping center and Chestnut Hill Realty's offices. Proceeding down Independence Drive you will see the existing Hancock Village apartments on your left and right. When you see the last apartments on either side you will be at the access point to the new development (see photo). **From the north** if you proceed down Route 9 through Brookline you will turn left on Hammond Street and then proceed three quarters of the way around the Horace James rotary and take a right onto Lagrange Street. You will make a left turn onto Beverly Road. At your first traffic light you will turn right onto Independence Drive. Once you have turned right onto Independence Drive you will see the signs for Hancock Village on brick walls on either side of the street. The access to the site will be just past these signs on either side.

The project proposes the development of 271 rental apartment units on three leasehold lots totaling 9.32 acres located off of Independence Drive on a portion of the Hancock Village property located in Brookline. Access to the site will be from Independence Drive and from the existing driveway at the end of Asheville Road (see photo). The unit mix includes 126 apartment units in 11-three story buildings with a total of 60 one bedroom units; 44 two bedroom units and 22 three bedroom units and 145 apartment units in a 5 story building with 64 one bedroom units and 81 two bedroom units. Parking for the three story buildings will be provided adjacent to the units in surface parking lots and the parking for the 145 unit building will be provided in two levels of garage parking and a nearby surface lot.

The attached plans include a locus plan which identifies the location of the site in the context of the neighborhood and the community. A rendered plan showing how the site would be landscaped and is consistent with the neighborhood context is included. Existing Conditions photographs of the location of the access drives to the site are also included. The balance of the preliminary site plans indicate the existing conditions, the layout of the buildings, parking and other improvements and include tables providing the zoning and dimensional information, preliminary grading and utility locations.

Adjacent building construction types and uses, footprints and heights:

The neighborhoods adjacent to the proposed site include a mix of both rental and home ownership building types. The lots adjacent to the site to the south are occupied by the existing Hancock Village development. Hancock Village is a cluster townhome development consisting of a mix of flat roof and pitched roof 2 story brick buildings organized around landscaped courtyards. Parking and access occurs off of two internal parking streets, Gerry Road on the west side of the site and Thornton Road on the east side. The

east side is also served by a driveway at the end of Asheville with parking lots adjacent to it. There are also two three story brick enclosed parking structures located on Gerry Road and Independence drive. Adjacent to the residential Hancock Village Development on Independence Drive is the retail and office component of Hancock Village which consists of a three story brick office building and a one story stone and brick neighborhood retail center. On the opposite side of Independence Drive is a three story brick Medical Office building occupied by Harvard Vanguard Health Services. Adjacent to the site to the north is a neighborhood of 2 and 1/2 story single family homes that are of wood or brick construction. Also adjacent to the northwest is the Edith C. Baker elementary school. This school building is a brick building ranging in height from 2 stories to 4 with an auditorium and library and gymnasium that approach 4-5 stories in height.

Distance site is located from:

Schools: Adjacent to Baker Elementary School. 2.5 miles to Brookline High School.

Police and Fire Stations: .8 Miles

Hospitals: Harvard Vanguard Health Services is on Independence Drive; 2.6 miles to Faulkner Hospital

Churches/Houses of Worship: .25 Miles

Recreational Facilities: Adjacent

Public Transportation: There are three public bus stops on-site, serviced by the MBTA route running between Forest Hills Stations in Jamaica Plain and Reservoir Station in Brookline. Also, the apartment complex provides free van shuttle service for commuting residents (weekday mornings and evenings) to the MBTA 'Reservoir' Green D-Line subway station located just over three miles away.

City Hall/Public Buildings: 4 miles to Town Hall, .25 miles to Library

Shopping Facilities: Adjacent

- ▶ Current Zoning Classification: Multi-family M.5, Single Family S-7
- ▶ Current/Existing Use: Vacant Land
- ▶ Planned Use(s) - Refer to Municipal Land Use Plan (if applicable): None
- ▶ Is any portion of the site within a designated wetlands area or buffer zone? No
- ▶ Is the site located within a designated flood hazard area? No
- ▶ Are there any hazardous waste sites adjacent to or within a 1/2-mile radius of the site? No
- ▶ What were the prior uses of the subject property? Since 1948 the site has been used for multi-family housing, Prior to 1948 the site was a golf course.
- ▶ Is the site or any building thereon listed, nominated or eligible for listing on the National Register of Historic Places? The site has been nominated, not listed.
- ▶ Is the site within a designated municipal, state or federal Historic District? No

- ▶ To the best of your knowledge, has this site ever been rejected for Site Eligibility by another state subsidizing authority? No

Availability of Utilities:

Sanitary Sewer: Yes

Distance from Site: Adjacent

Size Connector: (total of 4 connections): 8" V.C., 8" V.C., 15" R.C.P., 15" R.C.P.

Storm Sewer: Yes

Distance from Site: On-site

Size Connector: (total of 4 connections): 10", 10", 18" R.C.P., 30" R.C.P.

Public Water: Yes

Distance from Site: On-site

Size Connector: (total of 4 connections): 4", 4", 10", 12"

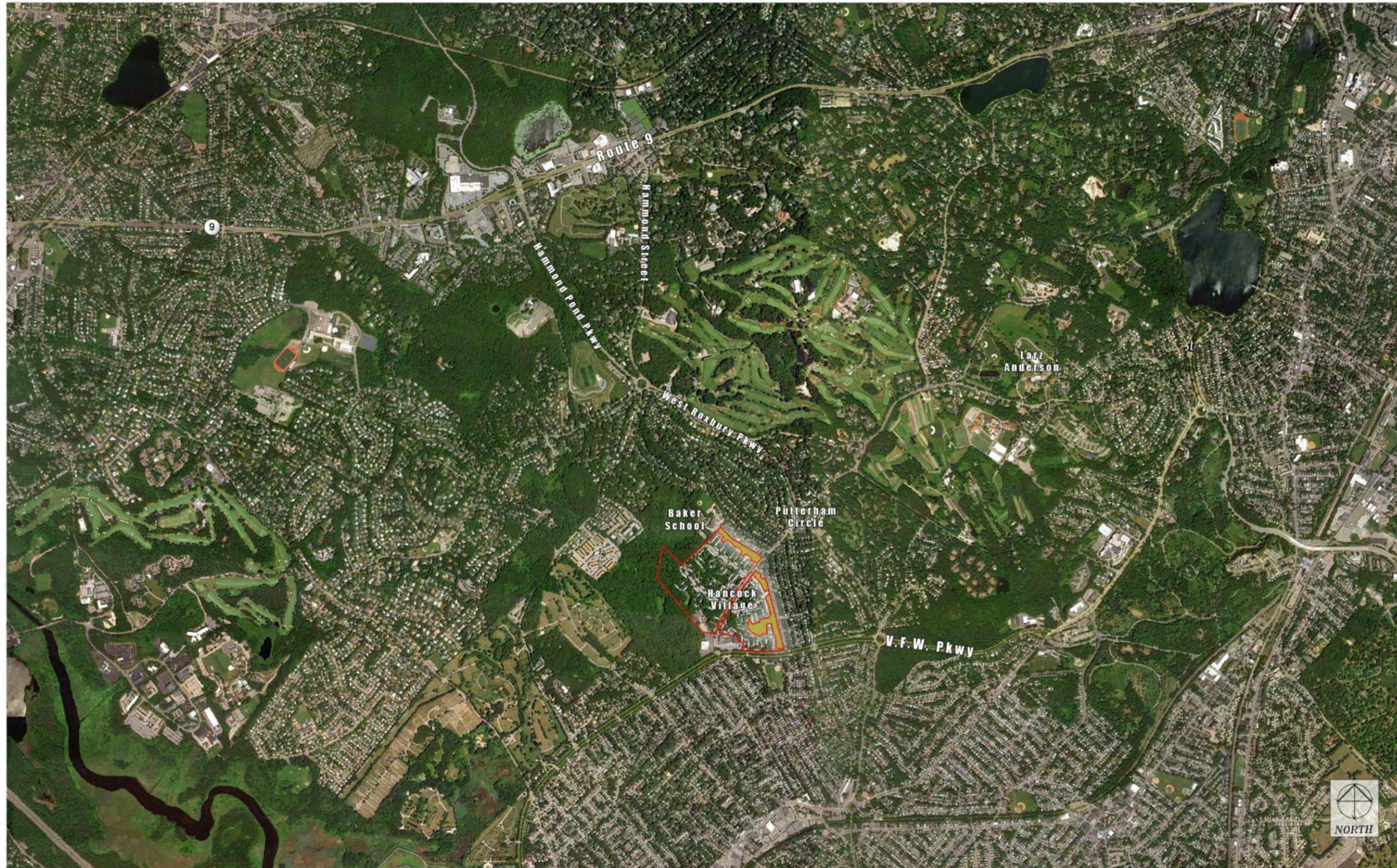
Gas: Yes

Electricity: Yes

Streets: Yes

Sidewalks: Yes

Curbs: Yes





Residences of South Brookline - Preliminary Illustrative Site Plan
SCALE: 1" = 200'-0"



Proposed Entrances to Residences from Independence Drive



Proposed Entrance to Residences of South Brookline from Ashville Road