

MONITORING SERVICES AGREEMENT

This Agreement entered into this _____ day of _____, 20____. (The "AGREEMENT"), by and between Narragansett Affordable Housing, a Non-Profit Corporation organized and existing under the laws of the State of Rhode Island (the "Monitoring Agent") and Old North Land Investments, LLC, a Rhode Island Limited Liability Corporation (the "Developer").

WITNESSETH

WHEREAS, The Town of South Kingstown has provided a municipal subsidy in accordance with the definition in R.I.G.L. 45-53.3 (5) to Old North Land Investments, LLC for thirty-nine (39) single family dwelling units also known as Fieldstone Farms in South Kingstown, Rhode Island (the "Development")

WHEREAS, the Development has received a municipal subsidy from the Town of South Kingstown for Ten (10) Affordable Units to be sold at a price that does not exceed one hundred twenty (120%) percent of area median income (AMI).

WHEREAS, in accordance with the Record Plan received by the Town of South Kingstown Planning Department noted in Map Book _____ Pages _____ in the Land Evidence Records; the Affordable Units are further identified as:

Ten (10) Four-bedroom Affordable Units, identified as unit numbers: _____

All to be sold at 120% of AMI.

- WHEREAS,

The maximum initial purchase price of the Affordable Unit is:

\$353,400.00 for a four-bedroom Affordable Unit

The sale price may vary from time to time depending on various factors used to determine pricing.

WHEREAS, the Developer has agreed to retain the Monitoring Agent to perform monitoring and enforcement services regarding compliance of the Development with the Affordability Requirement.

WHEREAS, the Monitoring Agent has demonstrated expertise in compliance monitoring and stable financial evidence such that it is reasonable to anticipate it will be in existence for the period of the Affordability Requirement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and the parties do hereby agree as follows:

Section 1. Monitoring Services.

A. Monitoring Agent shall monitor the compliance of the Project with the Affordability Requirement including:

- (i) Review of the substantive compliance of the Development with the Affordability Requirement.
- (ii) Review of income certifications, deeds and deed riders with respect to initial sales of Affordable Homes.
- (iii) Certifying to the owners of Affordable Units as to the maximum resale price which households having incomes not in excess of the percentage area median income ("AMI") upon which the maximum initial selling price of each unit was based, can pay for an affordable unit. The maximum resale prices must be approved by the Monitoring Agent prior to the time the marketing period commences for the Affordable Unit. A statement to potential buyers informing them of the Affordability Requirement must be included in the purchase and sales agreements for the Affordable Homes.
- (iv) Monitoring of re-sales of Affordable Homes for compliance with the terms of the applicable deed riders and issuance of certifications, as appropriate, approving re-sales.

B. The Monitoring Agent shall work with in-place and prospective owners to understand ongoing subsidizing program requirements and restrictions including at least annual notice to owners of Affordable homes.

C. The Monitoring Agent may provide reasonable supplemental monitoring on its own initiative in order to ensure to the extent practicable the compliance of the Development and the Developer with the Affordability Requirement. The services under this Agreement shall not include any construction period monitoring. The services under this Agreement shall include follow-up discussions with the Developer, if appropriate, after an event of noncompliance.

Section 2. Monitoring, Services Fee

A. The Monitoring Agent shall receive a total fee amounting to \$15,000.00 (Fifteen Thousand Dollars) from the Developer, which fee shall be paid from the closing proceeds of the initial sale of each Affordable Unit \$1,500.00 (One Thousand Five Hundred Dollars) per unit. Such fee shall constitute payment for the services of the Monitoring Agent with respect to the initial sales of the Affordable Homes. On each resale of an Affordable Unit the Monitoring Agent shall receive a total fee amounting to \$500.00

(Five hundred Dollars) per unit from the Seller for the entire term of the Affordability Requirement Period.

Section 3. Enforcement Services

A. In the event of serious or repeated violations of the requirements of this Agreement while Developer still owns any portion of the Development, the Monitoring Agent shall have the right, at its discretion, to take appropriate enforcement action against the Developer, including, without limitation, notice to the Municipality and/or to the lender Bank of noncompliance and the potential decertification of these units as low and moderate income housing, or legal action to compel the Developer to comply with the requirements of the Agreement. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing this Agreement against the Developer and to seek an attachment, including an attachment of the interest of the Developer in the Development in connection with any action to recover its fees and expenses. In the event Developer transferred, sold or assigned its interest in the Development, the Monitoring Agent may take appropriate enforcement action only against Developer's successor or assign.

B. In the event of a violation of the provisions of a deed rider, the Monitoring Agent shall have the right, at its discretion, to take appropriate enforcement action against the Affordable Home owner or the unit owner's successors in title, including, without limitation, notice to the Municipality and/or to the Bank of noncompliance and the potential decertification of these units as low and moderate income housing, or legal action to compel the Affordable Home owner to comply with the requirements of the relevant deed rider. The form of deed rider will provide for payment by the Affordable Home owner of fees and expense (including legal fees) of the Monitoring Agent in the event enforcement action is taken against the Affordable Home owner thereunder or under this Agreement. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing a deed rider against the Affordable Home owner and in any action to seek an attachment of the relevant unit to secure payment of such fees and expenses and to assert a lien against the unit as provided in the deed rider.

C. In the event of any violation of this Agreement by the Monitoring Agent, Developer or its successor or assign shall be entitled to recovery of its costs and reasonable legal fees in seeking enforcement of this Agreement.

Section 4. Term

A. The monitoring services are to be provided for the full term of the Agreement. This Agreement shall terminate years after the first sale of each Affordable Unit.

Section 5. Indemnity

A. The Developer, for itself and its successors and assigns, agree to indemnify and hold

harmless the Monitoring Agent against all damages, costs and liabilities, including reasonable attorney's fees, asserted against the Monitoring Agent by reason of its relationship with the Development under this Agreement except where the Monitoring Agent acted in bad faith in violation of this Agreement or with negligence.

Section 6. Applicable Law

A. This Agreement, and the application or interpretation of this Agreement, shall be governed by the laws of the State of Rhode Island.

Section 7. Binding Agreement

A. This Agreement shall be binding on the parties to this Agreement, their heirs, executors, personal representative, successors and assign.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed as of the date first written above.

Old North Land Investments, LLC

By:

Nicolas Reuter

Narragansett Affordable Housing
Corporation

By:

Michael C. McLoughlin, President