

OPTION TO LEASE REAL ESTATE
(Walnut Street and Commercial Street, Foxborough, MA)

This OPTION TO LEASE REAL ESTATE (hereinafter referred to as the "Option") is made as of the 15 day of December, 2022 ("Effective Date") between the Foxborough Housing Authority, a Massachusetts public body politic and corporate under the provisions of M.G.L. Chapter 121B, Section 5 (hereinafter referred to as "Landlord") and Walnut Master Ground Lessee LLC, a Massachusetts limited liability company (hereinafter referred to as "Tenant").

BACKGROUND

- A. FHA owns in fee simple that certain parcel of land shown containing approximately 15.564 acres at Walnut Street and Commercial Street (Massachusetts State Route 140) in the Town of Foxborough, Massachusetts, more particularly described on Exhibit A ("Land") and the improvements thereof ("Improvements", which together with the Land is referred to as the "Property").
- B. Tenant desires to lease the Property from Landlord, and design, permit, finance and construct an affordable housing development as follows: (i) sixty-one (61) residential units in one apartment building ("Phase 1A"); (ii) eighty (80) residential units in one apartment building ("Phase 1B"); (iii) fifty-nine (59) residential units in one apartment building ("Phase 2", together with Phase 1A and Phase 1B, the "Phases"); (iv) adequate parking to support all of such residential uses (the "Parking Spaces"); (v) associated management and resident services office space, as well as community and program space ("Office and Community Room Space"), and (vi) ancillary infrastructure improvements for utility lines and facilities, including without limitation, water, sewer, electrical, gas, telephone, cable, data, steam, life safety and security, and surface and subsurface storm drainage, loading, trash storage, walkways, driveways, landscaping and other necessary amenities to support the uses described in this paragraph (the "Infrastructure Improvements" and collectively, the "Project").
- C. In order to facilitate the Project and to secure the necessary financing and approvals for the Project, the parties hereto desire to enter into this Option describing their mutual intention to enter into a mutually agreeable, long-term ground lease for the entire parcel as is referenced in that certain Request for Proposals issued September 27, 2021 on behalf of the Foxborough Housing Authority (the "Master Ground Lease") and three sub-ground leases, one for each of the Phases (the "SubGround Leases") (the Master Ground Lease and the SubGround Leases together, the "Lease").

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), and intending to be legally bound, Landlord hereby grants to Tenant the exclusive right and option, but not the obligation, to lease the

Property, on the following terms and conditions:


1. Property. The Property is described on Exhibit A attached hereto.
2. Agreement to Enter Lease. Subject to Section 4 of this Option, Landlord and Tenant will enter into a Master Ground Lease for the entire parcel. For clarification purposes, at the time of the closing on Phase 1A, the Master Ground Lease will cover both the Phase 1A and Phase 1B parcels and then at the closing on Phase 2, the Master Ground Lease will be amended to add the Phase 2 parcel. The Tenant will then sublease to each respective owner of the Phases, with Landlord's consent in each case, portions of the Property governed by the Master Ground Lease so that each of the Phases is governed by its own SubGround Lease specific to that parcel.
3. Lease Terms. The parties agree to work in good faith to negotiate and agree on a form of Ground Lease by June 1, 2023. The parties intend for the Lease between the parties to contain the following terms:
 - a. Term. The Lease term will be for 99 years.
 - a. Rent. Tenant shall pay Five Hundred and 00/100 Dollars (\$500.00) per developed unit per annum for each of Phase 1A, Phase 1B, and Phase 2. Payments shall begin for each respective phase upon the issuance of a Certificate of Occupancy for the first unit of such phase.
 - b. Ownership for Tax Purposes. For income tax purposes, Tenant shall be deemed owner of all improvements on the Property.
 - c. Development. The Lease shall provide, inter alia, that Tenant will construct an affordable housing development consisting of Phase 1A, Phase 1B, Phase 2, Office and Community Room Space, Parking Spaces, and Infrastructure Improvements as described herein, in accordance with plans and specifications and subject to a plan of financing, both of which Landlord, in its sole discretion, must approve.
4. Term of Option. This Option shall expire twelve (12) months from the Effective Date. Tenant shall have right to extend this Option by an additional twelve (12) months by giving Landlord written notice at least five (5) business days prior to the then-applicable expiration date of this Option.
5. Operating Expenses and Taxes. All operating expenses, insurance, utilities, and property taxes, if any, shall become the sole responsibility of Tenant upon closing on the Lease.
6. Costs and Expenses. All costs and expenses of title examination, and preparation and recording of the Notice of Lease (other than for Landlord's own review of same), including but not limited to all transfer and recordation taxes, shall be paid by Tenant.



7. Access to Property. Through the term of this Option, Tenant, and its authorized agents and representatives, shall have access to the Property at all reasonable times for the purpose of making such examinations, studies, engineering and environmental tests and investigations (the "Inspections") of the Property as Tenant deems advisable in its reasonable discretion. Tenant shall notify Landlord in writing of its intention to enter the Property at least 48 hours prior to such intended entry. In conducting such Inspections on the Property, Tenant and its agents and representatives shall not have the right to conduct any underground testing without Landlord's prior written approval, not to be unreasonably withheld or delayed, and, once Landlord provides approval, Tenant shall restore the Property to the condition in which the same was found before any such Inspection was undertaken; provided, however, Landlord acknowledges that Tenant will need to do soil borings and that Tenant shall not be required to restore the Property to its prior condition in the location of the soil borings (ie. planting trees). Tenant indemnifies and holds Landlord harmless from any and all loss, damage or claim therefore arising, directly or indirectly, out of Tenant's Inspections of the Property. Tenant is aware that the Project shall need to request approval of a Comprehensive Permit for Tenant's intended use of the Property. Notwithstanding anything to the contrary in this Option, Tenant acknowledges that it is required to have insurance of types and levels reasonably satisfactory to Landlord before accessing the Property, and that Tenant and any agents of Tenant who conduct Inspections on the Property will add Landlord as an additional insured on such insurance policies.

Upon the expiration of this Option, any reports or plans (i.e. engineering plans, surveys, etc.) obtained by Tenant as part of the due diligence ("Due Diligence Materials") on the Property shall be assigned over to Landlord, subject to the terms of the respective third party contracts for such Due Diligence Materials. If any of the third-party contracts for such Due Diligence Materials do not allow assignments, Landlord acknowledges and understands that those specific Due Diligence Materials will not be transferred as set forth above.

8. Agreement of Landlord. Landlord shall not enter into any material transaction outside of its ordinary course of business with respect to the Property, which by its terms would (i) be binding on the Tenant following the Closing on the Project, (ii) materially limit Tenant's ability to develop the Project or (iii) materially impact the Project, without the prior written consent of Tenant, which shall not be unreasonably withheld, conditioned or delayed.
9. Possession. Possession of the Property which corresponds to each of Phase 1A, Phase 1B, and Phase 2 shall be delivered to Tenant immediately at closing on the Lease for such respective phase.
10. Risk of Loss or Damage. All risk of loss or damage to the portion of the Property corresponding to each of Phase 1A, Phase 1B, and Phase 2 by fire or other casualty shall remain with Landlord until closing on that respective Phase's Lease.
11. Notices. All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Option shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:



If to Landlord: Foxborough Housing Authority
90 N Carl Anon Ct.
Foxborough, MA 02035
Attention: Greg Spier, Chairman
Email: gregspier@gmail.com

With a Copy to: Klein Hornig LLP
101 Arch St., Suite 1101
Boston, MA 02110
Attn: Teresa M. Santalucia
Email: tsantalucia@kleinhornig.com

If to Tenant: Affordable Housing and Services Collaborative, Inc.
536 Granite Street
Braintree, MA 02184
Attention: Michael Mattos
Email: mmattos@ahscinc.org

With a copy to: Nixon Peabody LLP
Exchange Place
53 State Street
Boston, MA 02109
Attn: Julie H. Stande
Email: jstande@nixonpeabody.com

12. Assignment. This Option shall not be assignable by Tenant, except upon written consent of Landlord.
13. Legal Fees. Tenant shall be responsible for Landlord's legal fees in connection with the Project.
14. Landlord's Contribution. While Landlord is not expected to contribute financially to the application and permitting of the Project, Landlord shall reasonably cooperate with Tenant in connection with Tenant's permitting efforts, the application for approval for the Project, and the prosecution of any application for public approvals.
15. Counterparts. This Option may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.
16. Interpretation and Governing Law. This Option has been negotiated and prepared by the parties and their respective counsel, and should any provision of this Option require interpretation by a court, arbitrator, other forum, or other authority, then the court, arbitrator, other forum or other authority interpreting the provision shall not apply the rule of construction that a document is to be construed more strictly against one party. This Option shall be construed, interpreted, and governed by the laws of the Commonwealth of Massachusetts.

17. Severability. If any portion of this Option is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Option and if feasible the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Option.
18. Parties Bound. No officer, director, shareholder, employee, agent, or other person authorized to act for and on behalf of either party shall be personally liable for any obligation, express or implied, hereunder.
19. Modification of Option. This Option may not be altered, modified, rescinded, or extended orally. This Option may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the party to be bound thereby.
20. Successors. The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the parties hereto, their successors and assigns.
21. Headings. The headings in this Option are inserted for convenience only and shall not be used to define, limit or describe the scope of this Option or any of the obligations herein.
22. Construction. Whenever in this Option a pronoun is used, it shall be construed to represent either the singular or the plural, either the masculine or the feminine, as the case shall demand.

[Signatures Appear on Next Page]

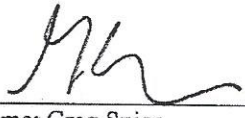
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IN WITNESS WHEREOF, Landlord and Tenant have each duly executed, or caused to be duly executed, this Option as of the date first written below.

LANDLORD:

Foxborough Housing Authority,
a Massachusetts public body politic and
corporate

By: _____

 Chairman

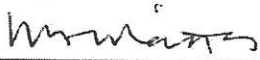
Name: Greg Spier
Title: Chairman

TENANT:

Walnut Master Ground Lessee LLC,
a Massachusetts limited liability company

By: Affordable Housing and Services Collaborative, Inc.,
its Sole Member

By: _____



Name: Michael Mattos
Title: President

EXHIBIT A
Legal Description

[To be attached]