

Information Packet

THE Meadows at SouthField

South Weymouth, MA
www.IBGdesignbuild.com

A Workforce Housing Opportunity at SouthField

Facilitated on behalf of South Shore Tri-Town Development Corporation (SSTTDC) and LNR
Developed by IBG Highlands LLC

This packet is specifically for **The Meadows** in SouthField and contains information on the workforce housing program as well as background, eligibility requirements, selection priority categories, and application process for the workforce homes being offered at **The Meadows** as part of the redevelopment of the South Weymouth Naval Air Station into the Master Planned Community known as "SouthField".

We invite you to read this information and submit an application if you think that you meet the eligibility requirements. This is the first step in the application process and does not assure you a unit.

If you are interested in other developments at SouthField, you will find the specific details about them in other information packets.

Applicant eligibility shall not be based on race, color, religion, national origin, gender, age, disability, ancestry, marital status, family status, veteran or military status, sexual orientation, genetic characteristics, or status as a person who is a recipient of federal, state or public assistance.

APPLICATIONS ARE NOW BEING ACCEPTED ON A FIRST-COME, FIRST-SERVED BASIS

Phone: (617) 782-6900 (voicemail)

Information Packet created by SEB



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GENERAL OVERVIEW AND SALES PRICES

SouthField is an exciting new master planned live-work-shop-play community located in the former South Weymouth Naval Air Station (NAS), in the towns of Abington, Rockland and Weymouth, MA. Plans for this award-winning, 1,400-acre Smart Growth community anticipate at full build-out five residential neighborhoods, an 18-hole golf course, a village center with homes, shops, offices and restaurants, a recreation complex and a commercial campus.

IBG Highlands LLC is proud to be one of the exclusive homebuilders at **SouthField Highlands**, SouthField's first residential village. The Meadows is located on Parkview Drive. The units feature an impressive open plan with six distinctive rooms — a seamless flow of space and harmony. The main level offers a stunning and expansive great room with deck that flows effortlessly from kitchen and dining area; a central gathering place perfect for family and friends. A private living, dining or study room is offered and can be tailored to meet your specific needs. A beautifully finished lower level recreation room has direct access from the grand foyer or two-car garage while the upper level offers three full bedrooms.

Please go to www.IBGdesignbuild.com/townhomes for more information on floorplans, specifications and neighborhood details.

PRICING

# of Units	Workforce Sales Price	Association fees*	Type	Bedrooms	Baths	Estimated Sq Ft.	Parking Spaces	Household Income Limit
2	\$318,400	\$254/mo	Leland	3	2.5	1865 sq. ft.	2	120% AMI

**Association fees are a total of The Meadows condo fees (\$215/mo) which are specific to the individual development, a \$20/mo fee that is paid to monitor the sprinkler system as required by SouthField, the SouthField Landowners Association Fee (\$19/mo) which is dedicated to community wide activities, improvements and events such as annual plantings, seasonal decorations and farmer's markets and the Special Assessment fees (\$0/mo for workforce units) which cover infrastructure expenditures for the entire SouthField development (sewer, water, roads, etc.)*

The estimated Total Monthly Housing Cost for the 3BR unit is \$2,500

Total Monthly Housing Costs are the estimated sum of your mortgage payment (30 year, fixed rate mortgage at current rates with a 5% down payment), your monthly real-estate taxes, insurance and the Association Fees (as defined above).

WORKFORCE HOUSING RESALE RESTRICTIONS

The Workforce housing resale restrictions expire 5 years from the date the unit is first sold. The Deed Rider limits the resale price on the home for 5 years. After 5 years from the initial sale, the homeowner can sell the unit on the open market without restrictions (ex: If a workforce home is first sold in 2012 and that buyer decides to sell in 2015, they will have to sell it at a price that is still restricted by the Deed Rider. However, the

person who buys the home in 2015 will be able to sell the home at fair market value in 2017. If the person who had initially purchased the home in 2012 waited until 2017, they would be able to sell the home for fair market value.)

If the first homeowner chooses to resell their home within the first five years of owning it, the resale price will be set using similar methodology that was used to determine the initial sales price of their home.

SouthField does not discriminate based on race, color, national origin, religion, sex, familial status, or handicap (disability). Disabled persons 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 disabled person equal opportunity to use and enjoy the housing.

GENERAL ELIGIBILITY REQUIREMENTS

Q: Who is eligible to apply for the workforce units?

A: In order to qualify for a workforce unit, households must meet each of the following criteria:

- 1.) The entire household's income and assets must be below the maximum allowable income and asset limits and above the minimum income limits (see pages 7-8)
- 2.) The household must be pre-approved for a mortgage if they do not have enough in Net Assets to cover the cost of the home (see pg. 8)

Households applying for workforce units do not need to be first-time homebuyers.

Q: What are the income and asset eligibility requirements?

A: To be eligible to purchase a unit, annual household income must be below the maximum income limits and above the minimum income limits shown on the next page. There is no asset limit for the workforce homes. All details are on the following pages.

Q: Do I have to be a resident of Weymouth, Abington or Rockland to apply?

A: No. **Local Preference** will be given for the opportunity to purchase future affordable and workforce units but these units are now being offered on a first-come, first-served basis.

Q: Can I currently own a home and still be eligible?

A: Yes. You do not need to be a first time homebuyer to qualify for this opportunity, nor do you have to sell your current home to qualify.

Q: Does my separation or divorce have to be finalized when I apply?

A: Your separation or divorce does needs to be finalized *before you are given the opportunity to sign a Purchase and Sale Agreement* (see Step 2). You will not be allowed to purchase a workforce home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase a workforce home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time. Therefore, you should try to expedite all divorce/separation hearings as your divorce/separation will need to be finalized in the next few months.

MAXIMUM INCOME, MINIMUM INCOME AND ASSET LIMITS

Q: How is a household's income determined?

A: The Lottery Agent will **project a household's income over the next 12 months** based on their current income and assets. In an effort to provide as accurate an income estimation as possible, the Lottery Agent will also review historical income data to provide a basis for future income estimates. **ALL SOURCES OF INCOME ARE COUNTED.** Any monies you anticipate receiving in the next 12 months will be counted as income and monies received over the previous 6 months will be analyzed to help estimate future income. This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies to be received in court settlements and interest and dividends on bank accounts and other assets.

For example, if a household applied for this lottery on March 15th, 2011, the total anticipated amount of money received by all members of the household from March 15th 2011 thru March 15th, 2012 will be counted as income. There are some exceptions that will not be counted, most notably income from employment of children under the age of 18 years or income from a household member who is 22 years of age or younger and who is a fully matriculated college student (although documentation still needs to be provided for these household members whose income is exempt).

If a household claims that certain income will stop in the near future, all claims must be supported with documentation. It is also NOT up to the household to determine what monies received over the past year should and should not be counted as their calculated income. Therefore, all monies should be listed on the application and the inclusion of these monies in determining a household's eligibility will be based on South Shore Tri-Town Development Corporation housing guidelines.

Maximum and Minimum Allowable Income

To be eligible to apply for purchasing a workforce unit, the combined annual income from all income sources of all income-earning members in the household must be at or below 120% of Area Median Income (AMI). Additionally, the household income must be above 80% AMI. The incomes allowed for this program are:

<u>Household Size</u>	<u>Minimum Income Limit</u> <u>80% AMI</u>	<u>Maximum Income Limit</u> <u>120% AMI</u>
1	\$ 44,950	\$81,060
2	\$ 51,400	\$92,640
3	\$ 57,800	\$104,220
4	\$ 64,200	\$115,800
5	\$ 69,350	\$125,060
6	\$ 74,500	\$134,320

Asset Limits

There is no asset limit for the workforce homes but all assets must be listed as actual interest from assets is added to household income.

Household Assets are calculated at the time of application. Any monies you would use as a future down payment on the home will still be counted as assets. Assets may include cash, cash in savings and checking accounts, net cash value of stocks, net cash value of retirement accounts (such as 401K accounts), real property, bonds, and capital investments.

Q: Does the unborn child of a currently pregnant household member count towards our household size and our allowable income limit?

A: Yes. A household may count an unborn child as a household member. You will have to submit proof of pregnancy with all the income and asset documentation that needs to be submitted with your application but you will be reviewed under the higher income limit.

Q: I am only applying for the workforce homes (which have no asset limit), do I still have to supply all my asset information?

A: Yes. While there is no asset limit in the household eligibility review for the workforce homes, the income from assets is still counted in the eligibility review. We therefore need to have all your asset documentation.

Q: I cannot withdraw money from my 401K or retirement fund, do I have to include it when I list my assets?

A: Yes. You need to include the *net cash value* of all your current retirement funds. We realize that most retirement funds assess large penalties for early withdrawal but this does not technically mean that you cannot withdraw your funds or don't have access to them. The post-penalty amount is what you need to provide along with supporting documentation.

Q: Are there eligibility exceptions for households that are barely over the income limit (or barely under the income limit) but considerably under the asset limit (or vice versa)?

A: No. All households must qualify on all eligibility guidelines. Eligibility isn't based on only one or the other.

WORKFORCE MORTGAGE PRE-APPROVALS

There is no asset limit for workforce housing so some households may have enough in assets to buy a workforce home without needing to take out a mortgage. **Households with enough net assets to cover the cost of the home do not need to provide mortgage pre-approvals and can skip the details in this section.**

All households who will be taking out a mortgage need to provide pre-approvals for mortgages in the amount they will need to finance and should therefore apply for a mortgage pre-approval immediately. Households can apply with any lender. Households should ask for first-time homebuyer mortgage products as they will likely have the best terms. While there are no required mortgage standards, we strongly encourage households to apply for mortgage with the following standards:

Recommended Mortgage Standards

- The loan should have a fixed interest rate through the full term of the mortgage.
- The loan should have a current fair market interest rate.
(No more than 2 percentage points above the current MassHousing rate)*
- The loan should have no more than two points.
- The buyer should provide a down payment of at least 3% - half of which must come from the buyer's own funds.

*MassHousing: (617) 854-1000 or www.masshousing.com

You can apply with any institutional lender of your choosing. For your information only, we note that the following lenders are experienced in first-time homebuyer mortgage products.

- Bob Chipman, Wells Fargo (508.695.6900, robert.chipman@wellsfargo.com)
- Timothy Kickham, PNC Mortgage (781.221.1534, timothy.kickham@pncmortgage.com)
- John Doyle at Sovereign Bank (508.370.0687, jdoyle@sovereignbank.com)
- William Wishart, William Raveis Mortgage (781.659.6650)

Households will need to bring the copy of the EXAMPLE Deed Rider to their lender. A copy can be downloaded directly off our website at www.s-e-b.com. ***All lenders will be made aware of the resale restrictions regardless of whether you tell them up-front or not.*** The Deed Rider is a document that will be signed at the closing. Therefore, it is in all household's best interest to show all lenders a copy of the Deed Rider when applying for a mortgage. Otherwise, they may find a lender who grants pre-approval but backs out at the time of purchase once they are made aware of the resale restrictions, thus eliminating the opportunity to obtain a workforce unit.

The lender will ask you for all the association fees and taxes. All the association fees are **listed on page 3 of this Info Packet**. The 2011 **tax rate** for SouthField is **\$11.90** and taxes are assessed on the **workforce** price (not the market-rate equivalent).

Q: Can a non-household member co-sign on the mortgage?

A: Yes. For the workforce housing homes being sold in SouthField, co-signers are allowed. Please note, all monies gifted to household members to assist in down-payment or other costs must be listed on the application and will be counted as household assets.

STEP-BY-STEP PROCESS AND TIMELINE

Q: What is the application, selection, and move-in process for the workforce units being offered at The Meadows?

A: The following steps outline the entire process of applying for and purchasing a workforce unit. The following pages explain each step in greater detail.

Step 1:	Program Application and Eligibility Review	+2 weeks
Step 2:	Sign Purchase and Sale Agreement	+1 week
Step 3:	Obtain Mortgage Commitment	+2 weeks
Step 4:	Final Review for Program Eligibility	+1 week
Step 5:	Closing and Move-in	30 days after P&S

Step 1: Program Application and Eligibility Review

Once a household reads this Information Packet in its entirety, they should first apply for a mortgage pre-approval (if they are not planning on buying the home in cash). As a pre-approval is required with the application for households who do not have enough net-assets to buy the home in cash, it should be the first step taken.

Households will also need to complete the Program Application (which is different than the pre-approval application your lender will give you). The applying household must list all income and asset information for every person that will be residing in the unit. The Program Application must be signed and dated by all heads-of-household.

Additionally, the household must submit with their application all required income and asset documentation for every claim made in the Program Application. The Program Application will guide households through the documentation submission process.

Households may also use the Program Application to apply for rental and for-sale affordable and workforce housing in other developments with available units in SouthField. Households should read the specific Information Packet for each development before applying for other developments.

The Program Application should be sent to:

SEB
Re: SouthField
165 Chestnut Hill Ave Unit 2
Brighton, MA 02135

As homes will be sold on a first-come, first-served basis, we recommend getting your application in as quickly as possible. If you want to ensure your application is received, we recommend sending it by certified mail. We are not responsible for lost or late applications.

Once a completed Program Application is received with all required documentation and mortgage pre-approval, SEB will make a preliminary determination of household eligibility. If any documentation is missing, applicants will be notified by SEB of the additional documentation that must be submitted. **As long as a household's application is incomplete, a preliminary determination of eligibility cannot be made and other households applying for the same unit may submit applications.** The first household who completes their application and is eligible according to Program guidelines will be the allowed will be allowed to move forward in the process before the household with an incomplete application (or an application that was completed at a later time).

When SEB determines that an application is complete and eligible, they will send the application to the Monitoring Agent (South Shore Tri-Town Development Corporation) for their determination of applicant eligibility. It is ultimately the Monitoring Agent who will determine if a household is eligible and can move forward to the next step of signing a Purchase and Sale Agreement.

Step 2: Sign Purchase and Sale Agreement

The first eligible households will be notified by SEB (the Lottery Agent) when they can move forward with the purchase of one of the available workforce units. When a household is notified, they will be considered "on the clock". When a household is "on the clock", they will have 7 business days to contact The Meadows Sales Office and sign a Purchase and Sale Agreement. If they fail to sign a Purchase and Sale Agreement, their Application Number will be removed from the Waiting List of other households who have submitted complete and eligible applications after the top household.

The next applicant on the list will then be notified that they are "on the clock" when the applicant ahead of them either signs a Purchase and Sale Agreement or 7 business days pass and no Purchase and Sale agreement has been signed.

If a household is "on the clock" for a workforce unit in the inventory, they will have 7 business days to sign a Purchase & Sale Agreement (P&S) and put down the required deposit. The required deposit will be at least 1.5% of the sales price but a higher deposit may be required if customized changes or extras are involved but in no event will the deposit at P&S exceed 7.5% of the sales price .

If they do not sign a P&S Agreement and put down the required deposit, they will be dropped from the Waiting Lists until they notify the Lottery Agent that they wish to be placed back on the bottom of the Waiting Lists. If they decide to sign a P&S Agreement, they will call The Meadows Sales Office and make an appointment.

Before signing the Purchase and Sale Agreement, it is recommended that the household obtain an attorney to review the Purchase and Sale Agreement, the Condominium Documents and Master Deed, and the Deed Rider. The household may also have the bank that is offering their mortgage commitment review these documents. It is important that the lawyer (or bank) ensure that the taxes being assessed to the workforce unit are based on the workforce sales price and not the market-rate price of an equivalent unit. All these documents can be provided by The Meadows Sales Office.

The Purchase and Sale Agreement will have the approximate closing date on it. This is the date that the homes should be ready for occupancy.

Step 3: Obtain Mortgage Commitment

This step is for households who will be taking out mortgages to purchase the workforce units.

Mortgage pre-approval does not ensure a mortgage commitment. Once a household has a signed Purchase and Sale Agreement, they will need to go back to their lender that issued them their pre-approval letter and obtain a Mortgage Commitment. This process will begin immediately after signing the Purchase and Sale and may take 30-60 days to complete. Households do not need to go back to the same lender that gave them their pre-approval letter but it is recommended they do so.

Please note that each lender will handle the Mortgage Commitment differently and this packet only serves as a guide through this process.

Generally, the lender will want to see the Purchase and Sale Agreement, the Master Deed, the Condominium Documents and the Deed Rider. They will also do an appraisal of the property once the property is ready to move into. Once the appraisal is complete, the household will be able to close on the home.

45 days before the closing date, the household will need to obtain a copy of the mortgage commitment that shows the terms of the mortgage and has the signatures of the bank and/or lender.

Step 4: Final Review for Program Eligibility

Before a household can close on their workforce unit, SEB must do a final review of the household's eligibility income and asset eligibility and the South Shore Tri-Town Development Corporation must do a review of the household's mortgage eligibility in order to prepare the Resale Price Certificate and Deed Rider that must be recorded at the closing.

It is therefore essential that all households continue to maintain income and asset eligibility until they close on their home. Households also need to maintain records of all income and assets until this final review.

One month prior to their closing date, households will need to complete a Final Review Application and submit all recent income and asset documentation to SEB. SEB will review the Final Review Application and determine if the household is still eligible according to South Shore Tri-Town Development Corporation housing program requirements. If a household is no longer eligible (over the allowable income and asset limits for example), the household will not be able to purchase a workforce unit.

Additionally, approximately 1 month prior to closing, households must submit the following documentation to SEB:

- a copy of the executed PURCHASE AND SALE AGREEMENT
- a copy of the MORTGAGE COMMITMENT LETTER from the buyer's lender including interest rate, points, length of loan, and annual percentage rate (for buyers who do not have adequate assets to cover the cost of the home).
- Contact information for the loan CLOSING ATTORNEY including name, address, phone and fax numbers.

SEB will forward this documentation to South Shore Tri-Town Development Corporation (SSTTDC) who requires the documents no less than 2 weeks before the loan closing date. South Shore Tri-Town Development Corporation will review the P&S, Master Deed and mortgage. South Shore Tri-Town Development Corporation will then mail and fax the Resale Price Certificate and Deed Rider to the buyer's closing attorney a day or two before the closing.

Step 5: Closing and Move-in

The Purchase and Sale Agreement will set the Closing Date.

If all the steps above are followed, the closing should go smoothly. Your lender and lawyer will be able to guide you with steps 3 through 5.

Once you have closed on the unit, you may move in.

Additionally, once you have closed on the unit, there is NO future income or asset eligibility reviews.

DEED RIDER SUMMARY/ PROPERTY RESTRICTIONS

This is not the Deed Rider. The actual Deed Rider will be prepared by the South Shore Tri-Town Development Corporation (the "Corporation") and provided on the day of each unit closing. A copy of an Example Deed Rider will be on the SEB website.

The purpose of this *summary* is intended to be informational only and it is not a substitute for independent legal advice. It is intended to highlight some of the obligations a purchaser will have upon resale. The Deed Rider is an especially important legal document; in part it ensures that the home remains affordable for future buyers of your property. Purchasers are encouraged to read carefully and to seek legal counsel to have a full understanding of their obligations of the Deed Rider in its entirety.

All of the deeds for the homes designated as affordable and workforce will have a deed rider, which you will be required to sign.

The workforce housing rider will ensure that the workforce homes stay at a workforce price level for the first 5 years after the initial sale. All the language below pertains to the resale of a workforce unit WITHIN THE FIRST 5 YEARS OF THE HOME BEING PURCHASED. After 5 years, the resale restrictions expire and all the below language is voided as the home can be sold on the open market.

Assuming you qualify, you will be given an opportunity to purchase a home at a substantial discount ("the affordable price" or "the workforce price") of the property's fair market value.

However, at a minimum the purchaser must agree as follows:

PRINCIPAL RESIDENCE

To occupy the home as a principal residence, where you regularly live, eat, sleep, are registered to vote, etc.

LEASING AND REFINANCING

You may not rent, lease or refinance your home without the prior written consent from the Monitoring Agent and the Corporation. In addition, you must notify the Monitoring Agent if you are going to refinance your mortgage.

HOME IMPROVEMENTS/CAPITAL IMPROVEMENTS

Capital Improvements are the documented necessary maintenance improvements that if not done would compromise the structural integrity of the property. Such improvements must be approved by the Monitoring Agent prior to the commencement of work. The cost of these improvements may be added to the resale price as shown below. Capital improvements may include replacing a roof, heating or plumbing equipment, or replacing windows or siding due to damage and wear and tear. Putting in carpeting or finishing unfinished spaces may not be considered capital improvements. Although the work may be allowed, the owner would likely not be able to add the costs of these improvements to their resale price.

NOTICES WHEN SELLING YOUR HOME

When you wish to sell your home, you must notify the Monitoring Agent and the Corporation. This notice is referred to as the "Conveyance Notice" in the Deed Rider.

MAXIMUM RESALE PRICE

The Maximum Resale Price is limited by the percentage change in the area median income, with credit for certain capital improvements that must be pre-approved by the Monitoring Agent.

As an example only, the maximum resale price is calculated assuming a base number (most recent published Area Median Income as determined by HUD). At the time of initial sale the AMI is \$ 91,800 (A) and the initial sales price is \$ 250,000 (B) the Resale Price Multiplier would equal $B/A = (C) = 2.7233$.

Upon resale, assuming the base number has increased to \$ 93,000 (D) and the cost of approved capital improvements (ex. new roof, \$5,000), the maximum resale price would be calculated as follows:

New Base number (D) x Resale Price Multiplier (C) = $\$93,000 \times 2.7233 = \$253,267$ (E) plus
Approved Capital Improvements (new roof) = \$ 5,000

THE MAXIMUM RESALE PRICE IS (E) *plus* Capital Improvements = \$258,267

This is just an example. This methodology would also only apply if the home is resold within the first 5 years. After 5 years, the home can be sold on the open market.

RESALE PROCESS

Under no conditions can the home be sold in the first five years for more than the Maximum Resale Price.

Once the Monitoring Agent and the Corporation receive the notice to sell, the Monitoring Agent has 90 days to find an eligible buyer (for workforce homes this is a homebuyer whose income is at or below 120% of the base area median income). The Monitoring Agent or the Corporation can also decide within those 90 days to purchase the home.

If the Monitoring Agent or the Corporation finds an eligible buyer within the 90-day period, a Compliance Certificate will be issued to the new buyer. The certificate states that the sale complies with the Deed Rider. If the Monitoring Agent or Corporation purchases your home, a Municipal Compliance Certificate is issued.

If the Monitoring Agent or Corporation finds an eligible buyer within 90 days, but that buyer cannot obtain financing or is otherwise unable to purchase the home, the Monitoring Agent or Corporation can receive an extension of an additional 60 days.

If 90 days pass from the date of the Conveyance Notice, and the Monitoring Agent and Corporation cannot find an eligible buyer and the Monitoring Agent and Corporation do not want to purchase the home, you may sell your home for the Maximum Resale Price to an Ineligible Buyer who will also have to sign a Deed Rider, ensuring the home will still be subject to all the same rights and conditions.