

After recording, return to: CHFA, 999 West Street, Rocky Hill, CT 06067, Attn: Legal

DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS

This DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS (this “Agreement”) is made and entered into as of the [___ day of _____, 20___, by and between [MORTGAGOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR’S ADDRESS] (the “Declarant”), and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the “Mortgagee”).

WITNESSETH:

WHEREAS, Declarant, as owner in fee simple of the property described in **Exhibit A**, attached hereto and made a part hereof (the “Property”), has applied to the Mortgagee for a first priority mortgage loan in the amount of up to [TOTAL LOAN AMOUNT WORDS] [TOTAL LOAN AMOUNT DOLLARS] to aid Declarant in financing the construction/renovation of a multifamily rental housing development for persons of low and moderate income on the Property, pursuant to the provisions of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended (the “Act”), the Internal Revenue Code of 1986, as amended, (the “Code”), and the regulations and procedures promulgated thereunder, as amended (the “Regulations”);

WHEREAS, the Property is known as [DEVELOPMENT NAME], located at [DEVELOPMENT ADDRESS], Connecticut, and is identified as CHFA Loan No. [CHFA LOAN NUMBER];

WHEREAS, Declarant acknowledges that the Mortgagee is providing the Loan (as defined herein) to Declarant to finance the Development (as hereafter defined) in furtherance of its corporate purposes under the Act, and the accomplishment of such purposes is dependent in part upon compliance by Declarant with the restrictive covenants set forth herein;

WHEREAS, the Mortgagee is unwilling to make the Loan unless the Declarant shall be regulated in the manner set forth herein, and the Declarant is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations;

WHEREAS, Declarant acknowledges the resulting beneficial interest of the Mortgagee in the Development and acknowledges that Declarant’s ownership and operation of the Development are in furtherance of the discharge of a public trust;

WHEREAS, the Mortgagee, as a condition of its willingness to make the Loan, requires that Declarant, by entering into the restrictions, terms, conditions and covenants set forth below, consent to be regulated and restricted by the Mortgagee in the management and operation of the Development as herein provided and as provided by the Loan Documents (as defined below), the Act, the Code, the Regulations, and any rules, regulations, policies, and procedures of the Mortgagee; and

WHEREAS, Declarant is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations.

NOW, THEREFORE, in consideration of the Loan, and of the mutual promises and covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

I. PROPERTY.

This Agreement affects the Property which is described in **Exhibit A** attached hereto and made a part hereof.

II. DEFINITIONS.

As used in this Agreement, the terms below shall have the definitions set forth for each one:

“Apartment Mix” means the Qualified Units in the Development, as follows:

Area Median Income “ <u>AMI</u> ”	<u>1-Bedroom</u> <u>Units</u>	<u>2-Bedroom</u> <u>Units</u>	<u>3-Bedroom</u> <u>Units</u>	<u>Totals</u>
At or below 25% AMI				
At or below 50% AMI				
At or below 60% AMI				
At or below 120% AMI				
Total				

“Approved Plans” means those certain plans, drawings and specifications described to the Mortgagee’s Board of Directors in the Resolution adopted [DATE OF RESOLUTION], as amended and accepted by the Mortgagee;

“Commitment Letter” means that certain Commitment Letter by and between Mortgagee and Declarant dated as of [_____];

“Compliance Period” means with respect to any building on the Property, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the credit period as defined in Section 42(i)(1) of the Code with respect thereto;

“Construction Loan” means that certain [CONSTRUCTION LOAN AMOUNT DOLLARS] interest bearing obligation evidenced by the Construction Loan Note;

“Construction Loan Note” means that certain promissory note dated as of even date herewith made by Declarant to the order of Mortgagee;

“Development” means all real and personal property and all assets of whatever nature or wherever situate, used in or owned by the business conducted on the Property, which business is to provide rental housing accommodations for persons of low and moderate income and other facilities incidental thereto, including, without limitation, the facilities described in the Approved Plans;

“ELIHC” means that certain Extended Low-Income Housing Commitment dated on or about the date hereof made by and between Declarant and the Mortgagee with respect to the Development;

“Extended Use Period” means, with respect to a building on the Property, the period: (i) beginning on the first (1st) day in the Compliance Period in which such building is part of a qualified low-income housing project, and (ii) ending on the later of: (I) the date specified in the ELIHC, or (II) the date which is fifteen (15) years after the close of the Compliance Period;

“Fiscal Year” means the calendar year or any other period agreed to in writing by the parties hereto as the fiscal year for the Declarant;

“HUD” means the United States Department of Housing and Urban Development, or any federal successor thereto;

“Income Limitation” means, as reflected in the Apartment Mix, twenty-five percent (25%), fifty percent (50%), or sixty percent (60%) of area median gross income, adjusted for family size, within the meaning of the Code and the Regulations and for this purpose, income is determined as defined under HUD regulations promulgated by HUD at 24 C.F.R. 5.609 {2014};

“Loan” means, collectively, the Construction Loan and the Permanent Loan.

“Loan Documents” means, collectively, the Commitment Letter, the Construction Loan Note, the Permanent Loan Note, the Mortgage, that certain Covenant of Compliance and Regulatory Agreement, that certain Mortgagor Affidavit and Agreement, that certain Construction Loan and General Escrow Agreement, that certain Environmental Indemnification Agreement, and this Agreement, all dated as of even date herewith, and all other documents executed by Declarant in connection with the Loan;

“Mortgage” means that certain Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith which Mortgage securing all indebtedness and obligations under the Note and constituting a first (1st) priority lien on the Development;

“Note” means, collectively, the Construction Loan Note and the Permanent Loan Note.

“Permanent Loan” means and the [PERMANENT LOAN AMOUNT DOLLARS] interest bearing obligation evidenced by the Permanent Note;

“Permanent Loan Note” means that certain promissory note dated as of even date herewith made by Declarant to the order of Mortgagee in the original principal amount of [PERMANENT LOAN AMOUNT DOLLARS];

“Qualified Person(s)” means individuals and families who, at the time each such individual or family first occupies a residential unit in the Development have annual income that meets the applicable Income Limitation;

“Qualified Project Period” means, as set forth in Section 142(d)(2)(A) of the Code, the period beginning on the first (1st) day on which ten percent (10%) of the residential units in the Development are occupied and ending on the latest of: (i) the date which is fifteen (15) years after the date on which fifty percent (50%) of the residential units in the Development are occupied; (ii) the first day on which no tax-exempt private activity bond issued with respect to the Development is outstanding; or (iii) the date on which any assistance provided with respect to the Development under Section 8 terminates;

“Qualified Rent” means an annual gross rental not greater than thirty percent (30%) of the annual imputed Income Limitation applicable for such unit for each Qualified Person, in accordance with the Act, the Code and the Regulations, which maximum rental limits applicable to Qualified Units shall be revised by a percentage equal to any percentage change in area median income pursuant to Section 42 of the Code, *provided, however*, Qualified Rent shall not include any payment under Section 8 or any comparable rental assistance program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include any utility allowance applicable pursuant to the Code, after taking into account such determinations under such Section 8;

“Qualified Unit” means a residential unit at the Development occupied, or available for occupancy, by a Qualified Person(s) at the Qualified Rent;

“Section 8” means section 8 of the Housing Act of 1937, as amended;

“State” means the State of Connecticut.

III. RESTRICTIONS ON USE OF THE DEVELOPMENT.

Declarant hereby represents, covenants, warrants and agrees to and with Mortgagee, as follows:

1. The Development shall be located on the Property and shall consist of the facilities described in the Approved Plans and shall consist of a building or buildings or structure and facilities functionally related and subordinated thereto, owned by the same person(s) for tax purposes, all located on a single tract of land and financed under a common plan of finance, with (i) each containing one or more similar residential units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and (ii) all of the residential units of which shall be rented or available on a non-transient basis for rental to members of the general public, suitable for residential occupancy, and in compliance with all State and local health, safety and building codes.

2. Declarant shall proceed with due diligence to promptly complete construction and/or renovation of the Development in accordance with the Approved Plans, and shall make no change in the nature, size (including number of residential units) or location of the Development from that which was shown on the Approved Plans without the prior written consent of the Mortgagee.

3. Declarant shall, on a continuous basis, maintain all of the residential units in the Development either as rented (or available for rental) to members of the general public during the Qualified Project Period, the Compliance Period and the Extended Use Period.

4. Declarant hereby covenants and agrees to comply with the requirements: (a) for “*qualified residential rental projects*” financed with exempt facility bonds as provided in Section 142(d) of the Code, and (b) for obtaining low-income housing tax credits under Section 42 of the Code with respect to the Development during the Compliance Period and Declarant’s obligations under the ELIHC (entered into pursuant to Section 42(h)(6) of the Code) which are incorporated herein by reference.

5. During the Qualified Project Period, each residential unit in the Development shall be rented or available for rental on a continuous basis to members of the general public on other than a transient basis and [_____] (____) of said Qualified Units shall be occupied by individuals whose annual income is [____] percent (___%) or less of area median gross income, adjustable for family size.

6. During the Compliance Period and the Extended Use Period, each residential unit in the Development shall be rented or available for rental on a continuous basis to members of the general public on other than a transient basis, and [_____] (____) of said Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is [____] percent (___%) or less of the area median gross income adjusted for family size.

7. The Qualified Units shall be leased, or vacant and available for lease: (a) only to Qualified Persons, in accordance with the Apartment Mix, and (b) at a rental not greater than thirty percent (30%) of the Income Limitation for such unit in accordance with Section 42(g)(2) of the Code.

8. The maximum rents that can be charged for residential units in the Development shall be uniform for each particular housing unit size (e.g., one bedroom units, two bedroom units) regardless of the number of persons residing in such unit.

9. At the discretion of the U.S. Secretary of the Treasury, the maximum income levels may deviate from the area median income to reflect current or future policy on income limits with respect to areas with unusually low family income or high housing cost relative to family income consistent with HUD's determination under Section 8.

10. The Development shall have at least [____] (____) Qualified Units.

11. The Qualified Units shall remain Qualified Units during the Extended Use Period.

12. Income and area median gross income shall be determined in a manner consistent with determinations of lower income families under Section 8, adjusted for family size, as determined by

HUD. The Development shall meet the above requirements no later than the close of the first (1st) year of the credit period as defined in Section 42(f)(1) of the Code, except as otherwise provided and permitted under Section 42(g)(3) of the Code.

13. After initial occupancy by Qualified Persons, but upon again becoming vacant, a unit shall be treated as occupied by Qualified Persons until occupied, other than for a temporary period by another occupant, at which time the character of the unit shall be re-determined by the new occupant's income. In no event shall a temporary period exceed thirty (30) days. A unit occupied by an individual or family who, at the commencement of occupancy, was a Qualified Person shall be treated as occupied by a Qualified Person during such individual's or family's tenancy in such unit until such individual's or family's income exceeds one hundred forty percent (140%) of the Income Limitation at the time of the most recent Determination (as defined below). Once an individual's or family income exceeds one hundred forty percent (140%) of the Income Limitation, the unit occupied by such individual or family shall continue to be treated as occupied by a Qualified Person unless, after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income exceeds the Income Limitation. Notwithstanding the provisions of this paragraph the Development shall also comply at all times with the requirements of Section 42(g)(2)(D) of the Code.

14. As required by the Mortgagee, Declarant shall make a determination (the "Determination") on the basis of current income of whether the income of an individual or family residing in a unit of the Development exceeds the applicable Income Limitation. Annually, and at such other times as may be required by the Mortgagee, Declarant shall certify compliance with the applicable Income Limitation to the Mortgagee and the U.S. Secretary of the Treasury, if required (at such times and in such manner as the Mortgagee and Secretary shall each prescribe).

15. Declarant shall furnish to the Mortgagee, on at least an annual basis, or on some other basis as determined by the Mortgagee to be required by the Code and the Regulations, such information as the Mortgagee shall require, including (a) any compliance forms now or hereafter required to be filed with the U.S. Secretary of the Treasury or the Mortgagee, and (b) a form entitled "*Owner's Certificate of Continuing Program Compliance*" attached hereto as Exhibit B, and to maintain on file a Tenant Income Certification (TC-100), in the form attached hereto as Exhibit C, tenant lists, lease applications, copies of any compliance forms filed with the Secretary of the Treasury or Internal Revenue Service, and a waiting list, in order to permit verification that the covenants set forth herein are being satisfied by Declarant. Declarant shall take such action as the Mortgagee shall from time to time deem necessary to comply with the covenants herein or to correct or cure any failure of Declarant to comply with the covenants herein. Declarant shall use tenant lease forms acceptable to the Mortgagee, or, if there are no written leases, written and signed certifications of tenants so as to be able to determine tenant qualifications or take such other corrective action as is necessary to comply with the covenants herein or to correct or cure any failure of Declarant to comply with the covenants herein. Such leases or certifications shall provide that (i) each tenant certify as to the accuracy of statements made in the Tenant Income Certification, (ii) agree that individual or family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, (iii) comply with all requests for information with respect thereto from Declarant or the Mortgagee, and (iv) failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be a violation of a substantial obligation of his/her tenancy.

16. The Development shall be residential rental housing within the meaning of the Act, the Code and Regulations, and shall be used for the benefit of those members of the general public of low and moderate income upon certain terms and conditions, as set out below: (a) during the Compliance Period and the Extended Use Period, Declarant shall set aside the Qualified Units in the Development for individuals or families who are Qualified Persons at the Qualified Rent, as determined by the Mortgagee and for a period of not less than [_____ (___)] years beyond the term of the Loan, Declarant shall lease, at the Qualified Rent (or sell or lease said units in the Development in such a manner that said units shall be leased or sold or held vacant and available for lease or sale) only to individuals or families who are Qualified Persons, as determined by the Mortgagee, or its successor, and such continuing restriction for said period shall operate, as follows: (i) if all or any part of the Development is sold, transferred or otherwise conveyed to any other individual, party or entity other than Declarant, such conveyance shall be made by deed subject to an affirmative covenant running with the land, which covenant shall bind the grantee of such deed, and all successors, assigns, and heirs thereof, to the restrictions contained in this Agreement, and in the event that such affirmative covenant is omitted from any such deed of conveyance, then such affirmative covenant shall be deemed to have been included and shall run with the land described on **Exhibit A**, attached hereto and made a part hereof, as if it had been contained in such deed, and the covenant and restrictions shall be binding to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by Mortgagee, or any of its successors, or their successors and assigns as their interest may appear; and (ii) if the Development shall at any time during the Extended Use Period be converted to a common interest community by Declarant or any grantee as aforesaid, such conversion shall include in the declaration of common interest community an affirmative covenant running with the land and such common interest community shall be subject to the terms and conditions of this Agreement, which shall bind the common interest community association, the common interest community unit owner and their respective successors and assigns, to the restrictions contained in this Agreement, and said covenant shall also require that all units in the common interest community shall be sold, or held vacant for sale, only to individuals or families who are Qualified Persons, as determined by Mortgagee or its successor(s) at the time of such sale, and the covenant shall be binding upon the common interest community association, its successors and its assigns to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by Mortgagee, or any of its successors and assigns as their interests may appear, and said declaration of common interest community shall require that all units that are to be sold or available for sale to individuals or families who are Qualified Persons shall also be subject to the further restriction that no re-conveyance of any such unit(s) shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Mortgagee or its successors or assigns that the prospective purchaser(s) is(are) an individual who is a Qualified Person, and Mortgagee or its successors or assigns shall designate a party to issue such a certification and shall notify the common interest community, from time to time, of the identity of such party, and a unit may not be conveyed pursuant to a time-sharing plan as defined in Chapter 734b of the Connecticut General Statutes; (b) in the event of substantial destruction or condemnation of the Development, as determined by the Mortgagee in its sole discretion, which destruction is not rebuilt or corrected for any reason, then Declarant shall have the right to request, and the Mortgagee may, so long as it has not delivered any applicable insurance proceeds to Declarant, release and waive Declarant and the Property from the terms, restrictions and conditions contained herein, and upon such destruction or condemnation, the Mortgagee, or its successors, or its assigns, may execute appropriate documents for Declarant, its successors or assigns to record on the land records for the city or town where the Development is located rescinding the restrictions contained herein, if Mortgagee, in its sole discretion, elects to so release and waive Declarant and Property from the terms, restrictions and conditions contained herein, and if Mortgagee delivers said insurance proceeds to Declarant, and Declarant is required to repair or reconstruct the Development pursuant to the

terms of the Mortgage, then this Agreement and the restrictions and covenants contained herein shall remain in full force and effect; (c) as required by the Mortgagee, in every Fiscal Year during the longest of the Compliance Period and the Extended Use Period and until the Mortgage has been released, Declarant shall deliver to the Mortgagee, in a form accepted by Mortgagee, a certificate setting forth the percentage of units at the Development occupied by individuals or families who are Qualified Persons, and Mortgagee shall have the right to observe Declarant's records regarding tenants and tenant selection policy for the Development at any time, and to request and receive any information, documentation, or other confirmation that Declarant's tenant selection policy complies with the requirements of the Mortgage; and (d) to the extent necessary to comply with the Act, Mortgagee's procedures, including, but not limited to, the State of Connecticut's applicable qualified allocation plan and Application Process Procedures, the Code and the Regulations, the Mortgagee shall have the right to take any and all actions which it deems appropriate, to rent any unleased or vacant dwelling unit in the Development (if the Development is used for rental units), including without limitation thereof the right to the appointment of a receiver to enter upon and take possession of the Property, to enter into tenant leases, to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct or to seek any remedy available or necessary for the enforcement of the covenants and restrictions herein. The receiver shall have the rights and powers permitted under the laws of the State and such other powers as the court making such appointment shall confer.

IV. APPLICABLE PERIOD.

This Agreement shall continue in full force and effect throughout the longest of the applicable periods to enable the Mortgagee and its successors and assigns to enforce compliance by Declarant with the covenants, terms and conditions of the Loan and of this Agreement. The covenants and restrictions of Declarant herein set forth are intended to be and shall be considered covenants which run with the land and shall bind all subsequent owners of such land, except to the extent herein provided. The Mortgagee and Declarant hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land by enhancing and increasing the enjoyment and use of the Development by low and moderate income persons, the intended beneficiaries of such covenants. The covenants of Declarant set forth herein are enforceable by the Mortgagee as a contract beneficiary whether or not Declarant is or remains indebted to the Mortgagee, except to the extent herein provided.

V. CONTROLLING & BINDING EFFECT.

Declarant warrants to the Mortgagee that it shall not execute other declarations or agreements with provisions contradictory, or in opposition to, the provisions hereof and that in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and shall supersede any other requirements in conflict therewith. This Agreement shall be binding upon the parties hereto and their respective successors and assigns, as their interests may appear, except that a foreclosing mortgagee, other foreclosing lien holder, or other owner of the equity, a trustee in bankruptcy or heir of any owner shall be exempt from Declarant's covenants contained in this Agreement, until such time as the foreclosed upon property, or property held by a trustee in bankruptcy, or property taken by devise, is sold, leased or otherwise conveyed, at which time such sale, lease, or conveyance shall be subject to the covenants and restrictions herein.

VI. SURVIVAL.

The covenants of Declarant set forth herein shall survive a sale, transfer, or other disposition of all or part of, or any interest in, the Development by Declarant, but shall cease to apply to the Development in the event of involuntary noncompliance caused by fire or other casualty, even though compensated by insurance, government seizure, requisition, change in a federal law or an action of a State or federal government which prevents the Mortgagee from enforcing the requirements herein. The covenants of Declarant shall also survive a foreclosure if, as a result of such event, at any time during the Extended Use Period, Declarant or a related person (as defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development.

VII. SUBSEQUENT ACTIONS & TRANSFERS.

Declarant shall file or record such documents and take such other steps as are necessary in order to ensure that the requirements and restrictions of this Agreement shall be binding upon all owners and/or lessees of the Development. Declarant shall include the requirements and restrictions contained in this Agreement in any instrument(s) assigning or transferring any interest in the Development to another person so that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to be bound by and comply with the requirements set forth in this Agreement. Declarant shall also provide a copy of such instrument(s) to the Mortgagee promptly.

VIII. REMEDIES.

Upon the occurrence of an Event of Default, as defined in the Mortgage, the Mortgagee shall have the right to accelerate the Loan (if Declarant is then indebted to the Mortgagee), to pursue its remedies under the Loan Documents, to maintain an action or actions in law or in equity against Declarant, to recover the damages incurred by the Mortgagee from such failure, to require Declarant (through injunctive relief or specific performance) to comply with the provisions and covenants set forth herein, and to immediately (at the expense of Declarant) cure any failure to comply with the covenants set forth herein.

IX. CODE REQUIREMENTS.

Declarant acknowledges that this Agreement is based, in part, upon the Code and the Regulations as they exist on the date hereof and that the Code and the Regulations may be subsequently modified or interpreted by the Federal government or the courts in a manner which the Mortgagee believes is inconsistent with the covenants set forth herein. Declarant shall comply with any additional covenant(s) and restriction(s) which the Mortgagee believes, upon advice of counsel to the Mortgagee, is or are necessary to comply with the Code and the Regulations and which is or are communicated in writing to Declarant, even though such covenant(s) or restriction(s) is(are) not a part of this Agreement as originally executed, *provided, however*, that if counsel for Declarant disagrees with the advice of counsel for the Mortgagee, Declarant shall have the right at its own expense to proceed with obtaining a favorable ruling from the Internal Revenue Service or such court interpretation which Declarant deems advisable and in its best interest, and the Mortgagee shall

cooperate fully with Declarant in this connection, so long as Declarant bears the Mortgagee's expenses in obtaining such ruling or decision. In such event, such additional covenant or restriction shall be considered a material part of this Agreement as if it had been originally included herein.

X. NOTICES

Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the respective parties' addresses on page 1 hereof, in writing, and shall be deemed to have been duly given (1) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (2) when delivered, if delivered personally, (3) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (4) when sent, if sent by overnight mail or overnight courier, in each case with a copy (which shall not constitute notice) to the Mortgagee's General Counsel at the above address. Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

XI. MISCELLANEOUS

Declarant shall cause this Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the conveyance and real property records of the town in which the Property is located and in such other places as the Mortgagee may reasonably request. Declarant shall pay all fees and charges incurred in connection with any such recording. Declarant hereby covenants and agrees to execute, file, and provide any and all information, documentation, or verification required by the federal government or the Mortgagee regarding the covenants and agreements contained herein. Declarant shall pay the Mortgagee's fees as from time to time determined by the Mortgagee for its compliance monitoring duties. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, except to the extent superseded by Federal law. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same Agreement. False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b. Declarant hereby agrees that Declarant (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three (3) years immediately preceding the date hereof, which violation(s) (a) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970 and (b) was not abated within the time fixed by the citations and (c) such citation has not been set aside, and (2) has not received one or more criminal convictions related to the injury or death of any employee in such three (3) year period. Declarant agrees to comply with the Civil Rights Acts of 1964 and 1968, as amended, and Executive Orders relating thereto, as applicable. Declarant also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, as amended, incorporated herein by reference.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered
in the Presence of:

[MORTGAGOR]
By: [_____]
Its [_____]

Name:

By: _____
Name:
Title:
Duly Authorized

Name:

STATE OF CONNECTICUT)
) ss. Rocky Hill , 201__
COUNTY OF HARTFORD)

Personally appeared, ____[Name]_____, __[Title]_____ of [_____], a [_____] and the [_____] of [MORTGAGOR], a [STATE OF FORMATION] [LEGAL ENTITY TYPE], as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be [his/her] free act and deed as __[Title]_____ of [_____], and the free act and deed of [MORTGAGOR], and that said instrument was signed on behalf of and with the authority of said [LEGAL ENTITY TYPE], before me.

Commissioner of the Superior Court
Notary Public

Exhibit A

Property Description

Exhibit B

Owner's Certificate of Continuing Program Compliance

Exhibit C

Tenant Income Certification (TC-100)

CONSTRUCTION LOAN PROMISSORY NOTE

[CONSTRUCTION LOAN AMOUNT DOLLARS]

[_____, 20____

Rocky Hill, Connecticut

FOR VALUE RECEIVED, the undersigned, [**MORTGAGOR**], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR'S ADDRESS] (the "Maker"), promises to pay to the order of the **CONNECTICUT HOUSING FINANCE AUTHORITY** (the "Holder"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, at its office at 999 West Street, Rocky Hill, Connecticut 06067, or at such other place as the Holder hereof may designate in writing, the principal sum of [CONSTRUCTION LOAN AMOUNT WORDS] [CONSTRUCTION LOAN AMOUNT DOLLARS], or so much thereof as shall be advanced hereunder and pursuant hereto, and pursuant to that certain Construction Loan and General Escrow Agreement dated as of even date herewith (the "Loan & Escrow Agreement") and pursuant to that certain Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith (the "Mortgage"), together with interest thereon as hereinafter set forth (the "Construction Loan"; the Construction Loan, together with the Permanent Loan (as such term is defined in the Mortgage), collectively, the "Loan").

This Note is secured by the Mortgage on certain real property known as [DEVELOPMENT NAME], located at [DEVELOPMENT ADDRESS] (the "Development"), upon which Maker agrees to construct, renovate and/or rehabilitate on said Development a [_____] (____) unit multifamily rental housing development in strict conformity with the plans, drawings and specifications now in the possession of the Holder.

During the term of this Note, interest shall accrue on the outstanding principal balance at the rate of [_____] and [_____] percent (____%) per annum, and interest only shall be due and payable monthly, in arrears, which payments shall commence on [_____, 20__ and shall continue on the first (1st) day of each and every month thereafter through and including [_____] 1, 20__. Any remaining unpaid indebtedness hereunder, together with any and all unpaid interest at the aforesaid rate shall be due and payable on [_____] 1, 20__ ("Maturity").

At any time prior to the first (1st) day of the sixteenth (16th) calendar month following the date hereof, this Note shall not be payable in advance of any due date without the prior written consent of the Holder. Any prepayment subsequent to such date shall be in minimal increments of no less than \$100,000.

Interest hereunder shall be calculated based upon and charged for the actual days elapsed during a 365 or 366 day year, as applicable (and the actual number of days per calendar month).

Advances of funds hereunder shall be made specifically in reliance upon the continued satisfaction of all promises, agreements, representations, pledges and covenants made by Maker, as set forth more fully in this Note, the Mortgage, the Loan & Escrow Agreement and in all other documents executed in connection with the Loan (collectively, the "Loan Documents"). Subject to the provisions of

the Loan Documents, the Holder agrees to make advances under this Note to Maker in installments, *pari passu* proportionally with the amounts advanced under the Permanent Loan Note, as the work progresses, the time and amount of each advance to be at the sole discretion and upon the estimate of said Holder so that when all of the work on said Development shall have been completed to the satisfaction of said Holder, said Holder shall then pay over to Maker any balance necessary to complete the full Loan in the amount set forth in this Note.

As set forth in the Loan Documents, in the event that the Final Closing requirement has not occurred and been satisfied, Mortgagor shall pay to Mortgagee a non-refundable fee in the amount of \$5,000 on the first (1st) day of each month (or partial month) that a Final Closing is delayed for a period of up to six (6) months. If the Final Closing has not occurred by the end of said six (6) month period, it shall be considered an Event of Default under the Loan Documents.

The principal and interest payable hereunder shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts at the time of payment.

Each monthly installment due under this Note (and as set out in the Loan Documents) shall be applied by Holder to the following items in the following order:

1. taxes, payments in lieu of taxes, assessments, water and sewer charges and other public impositions;
2. hazard and liability insurance premiums;
3. late charges, if any, due pursuant to this Note;
4. accrued interest on this Note;
5. payments to the Reserve for Replacements (as defined in Loan & Escrow Agreement) and other escrows and reserves as may be required by such Regulatory Agreement;
6. all other amounts due and owing under the Loan Documents; and
7. principal.

Maker also agrees to pay (i) all taxes or duties assessed upon said sums or this Note against the Holder hereof, the debt evidenced hereby or the Mortgage and upon the Development, and (ii) all reasonable costs, expenses and attorneys' fees incurred by the Holder in any proceeding for collection of the debt evidenced hereby or any foreclosure of the Mortgage, or in protecting or sustaining the lien of such Mortgage or any litigation or controversy arising from or connected with this Note or the Mortgage.

Holder may collect a late charge not to exceed four percent (4%) of any monthly installment which is not paid within fifteen (15) days of the due date thereof to cover the extra expense involved in handling such delinquent payment.

The occurrence of an Event of Default (as defined in the Mortgage) shall render the whole of this Note immediately due and payable at the option of the Holder hereof, or immediately and automatically

upon the occurrence of an Event of Default under Section 19(f) of the Mortgage. Failure to exercise said option shall not constitute a waiver of the right of said Holder to exercise said option at a later time.

Holder shall notify Maker of the occurrence of an Event of Default.

Each and every Maker, endorser, guarantor and surety of this Note and all others who may become liable for all or any part of the obligations evidenced by this Note do hereby waive demand, presentment for payment, protest, notice of protest and notice of nonpayment of this Note and do hereby consent to any number of renewals or extensions of the time of payment thereof and of the time for advances under this Note and agree that any such renewals or extensions may be made without notice to any of said parties and without affecting their liability hereon, and further consent to the release of any part or parts of the security for the payment hereof and to the release of any party or parties liable hereon, all without affecting the liability of any other persons, firms, or corporations liable for the payment of this Note.

Maker agrees that all expenditures by the Holder on account of the Construction Loan (other than principal), and the principal of this Note after Maturity or in the event of an Event of Default that continues for more than thirty (30) days, shall bear interest at the Default Rate. The "Default Rate" shall be the lesser of (i) the highest rate allowed by applicable law or (ii) a rate which is three (3) percentage points per annum in excess of the highest rate specified in this Note.

In the event that at any time any payment received by the Holder hereunder shall be deemed by final order of court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Holder, then, in any such event, the obligation to make such payment shall survive any cancellation of this Note and/or return thereof to Maker, shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Note, but shall remain and /or automatically be reinstated, as applicable, as a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and the amount of such payment shall bear interest at the Default Rate from the date of such final order until repaid hereunder.

Maker hereby gives the Holder a lien and right of setoff for all of Maker's liabilities hereunder upon and against all deposits, credits, and property of the Maker, endorsers or guarantors in the hands of the Holder, other than the Development, and any other collateral of the Maker, endorsers or guarantors now or hereafter in possession or control of Holder or in transit to it. Upon the occurrence of an Event of Default (as defined in the Mortgage), Holder may, at any time, apply the same or any part thereof to any liability of Maker to the Holder even though un-matured.

If the Holder hereof shall not have advanced, within the period set forth below within which advances shall be made, all sums to be advanced according to this Note, there shall be deducted from the amount due on this Note such sums as have not been advanced, and this Note shall then evidence an indebtedness of the principal amount herein stated less such sum as has not been advanced.

This Note shall not be assumed without the prior written consent of the Holder.

Should this Note be signed by more than one maker, references in this Note to Maker or maker in the singular shall include the plural and all obligations herein contained shall be the joint and several obligations of each maker hereof.

MAKER AND EACH GUARANTOR AND ENDORSER HEREOF REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF MAKER ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES HOLDER MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH HOLDER'S EXERCISE OF ANY PREJUDGMENT REMEDY. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

Notwithstanding anything to the contrary, express or implied, contained in this Note or any of the Loan Documents, it is an express condition upon which this Note and all other Loan Documents are given and accepted that neither the Maker nor any partner, general or limited, nor any member, present or future, nor any individual, limited liability company, partnership or corporation, which now owns, or in the future may own, the Development will ever be liable for the obligations of the Maker under this Note or for any obligation under any of the Loan Documents, except to the limited extent specifically set forth below; and the Holder, for itself and its successors and assigns, agrees to look solely and exclusively to the Development and to the other security, deposits and credits given as security for the repayment of the Construction Loan and for the payment and performance of the Maker's obligations under the Loan Documents.

In any action or proceeding brought on the Mortgage, the Note, or any of the other Loan Documents in which a money judgment is sought, the Holder shall look solely to the Development and Maker's interest in the Development and in all present and future leases and income from the Development, provided that this shall not impair the Holder's right to seek and obtain a money or deficiency judgment against Maker or any general partner, member or shareholder of Maker, or against any member, shareholder or partner of any general partner of the Maker, in an action based upon:

- (i) fraud, misappropriation of funds, or material misrepresentation in connection with any of the Loan Documents, or any affidavit, certification, warranty or representation given by Maker or any general partner, manager, member or shareholder of Maker or by any member, manager, shareholder or partner of any general partner of Maker;

- (ii) recovery of any condemnation, insurance, or other Proceeds (as defined in the Mortgage) or similar funds or payments attributable to the Development which, under the terms of any of the Loan Documents, should have been paid to the Holder;
- (iii) recovery of any tenant security deposits, advance or prepaid rent or other similar sums paid to, or held by, Maker or any other party in connection with the operation of the Development;
- (iv) recovery of any compensation paid, provided, or owed to an affiliate or manager in connection with any agreement which does not comply with the terms of the Mortgage;
- (v) any breach or violation of representations, warranties, covenants (other than the covenant to make payments under this Note) and indemnities executed in connection with the Loan;
- (vi) material waste of any portion of the Development;
- (vii) collection of rents in advance in violation of any covenant in the Mortgage or other Loan Documents;
- (viii) failure to make payments when due on the Note or payments of insurance premiums, property taxes, payments in lieu of taxes, or payments of other operating or maintenance expenses related to the Development during such time as total revenues from the Development are sufficient to pay such amounts, or the failure to pay a portion of such amounts, up to the full extent of the total revenues from the Development available to pay such amounts;
- (ix) intentional failure to maintain resident occupancy levels and income from the Development; or
- (x) that certain Environmental Indemnification Agreement dated as of even date herewith made by Maker in favor of Holder.

The foregoing shall not impair the liability of Maker or any guarantor with respect to any guaranty or indemnity, nor shall the foregoing be deemed a waiver by Holder or an impairment of any statutory right of indemnity against Maker or any guarantor nor shall the foregoing affect in any way the rights of Holder to enforce its rights in and to the Development under the Mortgage and other Loan Documents by foreclosure, exercise of any power of sale, possession, exercise of its rights under the UCC (as defined in the Mortgage) or pursuant to any assignment of leases and rents.

This Note shall be governed by and construed in accordance with the laws of the State of Connecticut. All notices and communications required or permitted hereunder shall be in writing and given in accordance with Section 29 of the Mortgage.

[MORTGAGOR]

By: [_____]
 Its [_____]

By: _____
 Name: _____
 Title: _____
 Duly Authorized

PERMANENT LOAN PROMISSORY NOTE

[PERMANENT LOAN AMOUNT DOLLARS]

[_____, 20____

Rocky Hill, Connecticut

FOR VALUE RECEIVED, the undersigned, [**MORTGAGOR**], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR'S ADDRESS] (the "Maker"), promises to pay to the order of the **CONNECTICUT HOUSING FINANCE AUTHORITY** (the "Holder"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, at its office at 999 West Street, Rocky Hill, Connecticut 06067, or at such other place as the Holder hereof may designate in writing, the principal sum of [PERMANENT LOAN AMOUNT WORDS] [PERMANENT LOAN AMOUNT DOLLARS], or so much thereof as shall be advanced hereunder and pursuant hereto, and pursuant to that certain Construction Loan and General Escrow Agreement dated as of even date herewith (the "Loan & Escrow Agreement") and pursuant to that certain Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith (the "Mortgage"), together with interest thereon as hereinafter set forth (the "Permanent Loan"; the Permanent Loan, together with the Construction Loan (as such term is defined in the Mortgage), collectively, the "Loan").

This Note is secured by the Mortgage on certain real property known as [DEVELOPMENT NAME], located at [DEVELOPMENT ADDRESS] (the "Development"), upon which Maker agrees to construct, renovate and/or rehabilitate on said Development a [_____] (____) unit multifamily rental housing development in strict conformity with the plans, drawings and specifications now in the possession of the Holder.

The period commencing on the date hereof and ending on [_____] 3[0/1], 20__ is hereinafter referred to as the "Interest-Only Period" and the period commencing on [_____] 1, 20__ and continuing until Maturity (as hereinafter defined) is hereinafter referred to as the "Amortization Period".

Interest shall accrue hereunder on the outstanding principal balance at the rate of [_____] and _____ percent (____%) per annum], and: (i) during the Interest-Only Period, interest only shall be due and payable monthly, in arrears, which payments shall commence on the first (1st) day of the first (1st) month after the date hereof and shall continue on the first (1st) day of each and every month thereafter through and including [_____] 1, 20__ (the "Final Interest-Only Payment Date"); and (ii) during the Amortization Period, principal and interest, in arrears, shall be due and payable in consecutive equal monthly installments in an amount sufficient to amortize the principal amount advanced under the Permanent Loan over a [_____] (____) year term in accordance with a [_____] (____) year amortization schedule, commencing on [_____] 1, 20__ and continuing on the first (1st) day of each calendar month thereafter, until the entire principal sum, with interest, has been fully paid. Any and all remaining unpaid indebtedness, together with any and all unpaid interest at the aforesaid rate shall be due and payable on [_____] 1, 20__ ("Maturity").

This Note shall not be payable in advance of the due date or assumed without the prior written consent of the Holder.

Interest hereunder shall be calculated based upon, and charged for, the actual days elapsed during a 365 or 366 day year, as applicable (and the actual number of days per calendar month) during the Interest-Only Period, a 360 day year (30 day months) during the Amortization Period.

Advances of funds hereunder shall be made specifically in reliance upon the continued satisfaction of all promises, agreements, representations, pledges and covenants made by Maker, as set forth more fully in this Note, the Mortgage, the Loan & Escrow Agreement and in all other documents executed in connection with the Loan (collectively, the "Loan Documents"). Subject to the provisions of the Loan Documents, the Holder agrees to make advances under this Note to Maker in installments *pari passu* proportionally with the amounts advanced under the Construction Loan Note (as such term is defined in the Mortgage), as the work progresses, the time and amount of each advance to be at the sole discretion and upon the estimate of said Holder so that when all of the work on said Development shall have been completed to the satisfaction of said Holder, said Holder shall then pay over to Maker any balance necessary to complete the full Loan in the amount set forth in this Note.

Notwithstanding anything contained herein to the contrary, in the event all Loan proceeds have not been advanced on the Final Interest-Only Payment Date, such remaining balance of Permanent Loan proceeds shall be advanced by the Holder, for Maker's benefit, into a Permanent Loan Proceeds Escrow (as defined in the Loan & Escrow Agreement) to be held and disbursed by Holder pursuant to the terms of the Loan & Escrow Agreement.

The principal and interest payable hereunder shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts at the time of payment.

Each monthly installment due under this Note (and as set out in the Loan Documents) shall be applied by Holder to the following items in the following order:

1. taxes, payments in lieu of taxes, assessments, water and sewer charges and other public impositions;
2. hazard and liability insurance premiums;
3. late charges, if any, due pursuant to this Note;
4. accrued interest on this Note;
5. payments to the Reserve for Replacements (as defined in the Loan & Escrow Agreement) and other escrows and reserves as may be required by the Loan Documents;
6. all other amounts due and owing under the Loan Documents (as hereafter defined); and
7. principal.

Maker also agrees to pay (i) all taxes or duties assessed upon said sums or this Note against the Holder hereof, the debt evidenced hereby or the Mortgage and upon the Development, and (ii) all reasonable costs, expenses and attorneys' fees incurred by the Holder in any proceeding for collection of the debt evidenced hereby or any foreclosure of the Mortgage, or in protecting or sustaining the lien of such Mortgage or any litigation or controversy arising from or connected with this Note or the Mortgage.

Holder may collect a late charge not to exceed four percent (4%) of any monthly installment which is not paid within fifteen (15) days of the due date thereof to cover the extra expense involved in handling such delinquent payment.

The occurrence of an Event of Default (as defined in the Mortgage) shall render the whole of this Note immediately due and payable at the option of the Holder hereof, or immediately and automatically upon the occurrence of an Event of Default under Section 19(f) of the Mortgage. Failure to exercise said option shall not constitute a waiver of the right of said Holder to exercise said option at a later time.

Holder shall notify Maker of the occurrence of an Event of Default.

Each and every Maker, endorser, guarantor and surety of this Note and all others who may become liable for all or any part of the obligations evidenced by this Note do hereby waive demand, presentment for payment, protest, notice of protest and notice of nonpayment of this Note and do hereby consent to any number of renewals or extensions of the time of payment thereof and of the time for advances under this Note and agree that any such renewals or extensions may be made without notice to any of said parties and without affecting their liability hereon, and further consent to the release of any part or parts of the security for the payment hereof and to the release of any party or parties liable hereon, all without affecting the liability of any other persons, firms, or corporations liable for the payment of this Note.

Maker agrees that all expenditures by the Holder on account of the Loan (other than principal), and the principal of this Note after Maturity or in the event of an Event of Default that continues for more than thirty (30) days, shall bear interest at the Default Rate. The "Default Rate" shall be the lesser of (i) the highest rate allowed by applicable law or (ii) a rate which is three (3) percentage points per annum in excess of the highest rate specified in this Note.

In the event that at any time any payment received by the Holder hereunder shall be deemed by final order of court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Holder, then, in any such event, the obligation to make such payment shall survive any cancellation of this Note and/or return thereof to Maker, shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Note, but shall remain and /or automatically be reinstated, as applicable, as a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and the amount of such payment shall bear interest at the Default Rate from the date of such final order until repaid hereunder.

Maker hereby gives the Holder a lien and right of setoff for all of Maker's liabilities hereunder upon and against all deposits, credits, and property of the Maker, endorsers or guarantors in the hands of the Holder, other than the Development, and any other collateral of the Maker, endorsers or guarantors now or hereafter in possession or control of Holder or in transit to it. Upon the occurrence of an Event of

Default (as defined in the Mortgage), Holder may, at any time, apply the same or any part thereof to any liability of Maker to the Holder even though un-matured.

If the Holder hereof shall not have advanced, within the period set forth below within which advances shall be made, all sums to be advanced according to this Note, there shall be deducted from the amount due on this Note such sums as have not been advanced, and this Note shall then evidence an indebtedness of the principal amount herein stated less such sum as has not been advanced.

This Note shall not be assumed without the prior written consent of the Holder.

Should this Note be signed by more than one maker, references in this Note to Maker or maker in the singular shall include the plural and all obligations herein contained shall be the joint and several obligations of each maker hereof.

MAKER AND EACH GUARANTOR AND ENDORSER HEREOF REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF MAKER ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES HOLDER MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH HOLDER'S EXERCISE OF ANY PREJUDGMENT REMEDY. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

Notwithstanding anything to the contrary, express or implied, contained in this Note or any of the Loan Documents, it is an express condition upon which this Note and all other Loan Documents are given and accepted that neither the Maker nor any partner, general or limited, nor any member, present or future, nor any individual, limited liability company, partnership or corporation, which now owns, or in the future may own, the Development will ever be liable for the obligations of the Maker under this Note or for any obligation under any of the Loan Documents, except to the limited extent specifically set forth below; and the Holder, for itself and its successors and assigns, agrees to look solely and exclusively to the Development and to the other security, deposits and credits given as security for the repayment of the Permanent Loan and for the payment and performance of the Maker's obligations under the Loan Documents.

In any action or proceeding brought on the Mortgage, the Note, or any of the other Loan Documents in which a money judgment is sought, the Holder shall look solely to the Development and

Maker's interest in the Development and in all present and future leases and income from the Development, provided that this shall not impair the Holder's right to seek and obtain a money or deficiency judgment against Maker or any general partner, member or shareholder of Maker, or against any member, shareholder or partner of any general partner of the Maker, in an action based upon:

- (i) fraud, misappropriation of funds, or material misrepresentation in connection with any of the Loan Documents, or any affidavit, certification, warranty or representation given by Maker or any general partner, manager, member or shareholder of Maker or by any member, manager, shareholder or partner of any general partner of Maker;
- (ii) recovery of any condemnation, insurance, or other Proceeds (as defined in the Mortgage) or similar funds or payments attributable to the Development which, under the terms of any of the Loan Documents, should have been paid to the Holder;
- (iii) recovery of any tenant security deposits, advance or prepaid rent or other similar sums paid to, or held by, Maker or any other party in connection with the operation of the Development;
- (iv) recovery of any compensation paid, provided, or owed to an affiliate or manager in connection with any agreement which does not comply with the terms of the Mortgage;
- (v) any breach or violation of representations, warranties, covenants (other than the covenant to make payments under this Note) and indemnities executed in connection with the Loan;
- (vi) material waste of any portion of the Development;
- (vii) collection of rents in advance in violation of any covenant in the Mortgage or other Loan Documents;
- (viii) failure to make payments when due on the Note or payments of insurance premiums, property taxes, payments in lieu of taxes, or payments of other operating or maintenance expenses related to the Development during such time as total revenues from the Development are sufficient to pay such amounts, or the failure to pay a portion of such amounts, up to the full extent of the total revenues from the Development available to pay such amounts;
- (ix) intentional failure to maintain resident occupancy levels and income from the Development; or
- (x) that certain Environmental Indemnification Agreement dated as of even date herewith made by Maker in favor of Holder.

The foregoing shall not impair the liability of Maker or any guarantor with respect to any guaranty or indemnity, nor shall the foregoing be deemed a waiver by Holder or an impairment of any statutory right of indemnity against Maker or any guarantor nor shall the foregoing affect in any way the rights of Holder to enforce its rights in and to the Development under the Mortgage and other Loan

Documents by foreclosure, exercise of any power of sale, possession, exercise of its rights under the UCC (as defined in the Mortgage) or pursuant to any assignment of leases and rents.

This Note shall be governed by and construed in accordance with the laws of the State of Connecticut. All notices and communications required or permitted hereunder shall be in writing and given in accordance with Section 29 of the Mortgage.

[MORTGAGOR]

By: [_____]
Its [_____]

By: _____
Name:
Title:
Duly Authorized

After recording, return to: CHFA, 999 West Street, Rocky Hill, CT 06067, Attn: Legal

**OPEN-END CONSTRUCTION MORTGAGE DEED, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTALS AND FIXTURE FILING**

TO ALL PEOPLE TO WHOM THESE PRESENTS MAY COME, GREETING:

KNOW YE, that [MORTGAGOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR'S ADDRESS] (the "Mortgagor"), for consideration of up to [TOTAL LOAN AMOUNT WORDS] [TOTAL LOAN AMOUNT DOLLARS] or so much thereof as shall be advanced to Mortgagor hereunder, received to its full satisfaction from the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut and having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Mortgagee"), does hereby give, grant, bargain, sell and confirm unto the said Mortgagee, its successors and assigns forever WITH MORTGAGE COVENANTS, and with all POWERS OF SALE now or hereafter provided by statute, the following property:

I. THE MORTGAGED PROPERTY.

That certain piece or parcel of land, more particularly bounded and described on **Exhibit A**, attached hereto and made a part hereof (the "Land");

TOGETHER WITH the buildings, foundations, structures and improvements (including all fixtures other than fixtures owned by tenants under the Leases (as hereinafter defined) and in which Mortgagor has no interest) now or hereafter located on or in the Land (collectively, the "Improvements"; the Land and Improvements are sometimes collectively referred to herein as the "Premises" or the "Development");

TOGETHER WITH all right, title and interest, if any, of Mortgagor in and to the streets and roads, opened or proposed, abutting the Land, all strips and gores within or adjoining the Land, the air space and right to use the air space above the Land, all rights of ingress and egress to and from the Land, all easements, rights of way, reversions, remainders, hereditaments, and appurtenances now or hereafter affecting the Premises, all royalties, rights and privileges appertaining to the use and enjoyment of the Premises, including all air, lateral support, alley, drainage, water, oil, gas, electric and mineral rights, all options to purchase or lease, and all other interests, estates or claims, at law or in equity, which Mortgagor now has or hereafter may acquire in or with respect to Premises (collectively, the "Appurtenances");

TOGETHER WITH all real estate fixtures or items, now or hereafter owned by Mortgagor, or in which Mortgagor has or hereafter obtains an interest, and now or hereafter located in or upon the Premises, or now or hereafter attached or affixed to, installed in, or used in connection with any of the Premises, including, but not limited to, any and all portable or sectional buildings, bathrooms, plumbing, heating, lighting, electrical, refrigerating, ventilating and air-conditioning apparatus and equipment, garbage incinerators and receptacles, elevators and elevator machinery, boilers, furnaces, stoves, tanks, motors, sprinkler and fire detection and extinguishing systems, doorbell and alarm systems, window shades, screens, awnings, screen doors, storm and other detachable windows and doors, mantels,

partitions, built-in cases, counters and other fixtures whether or not included in the foregoing enumeration (collectively, the “Fixtures”);

TOGETHER WITH all right, title and interest of Mortgagor in and to any and all subsidy contracts with respect to the Development, including, without limitation, any subsidy contract with the federal government, the State of Connecticut, any town, city or municipal entity, or any other entity for the benefit of the Development or the tenants in the Development (collectively, the “Subsidy Contracts”);

TOGETHER WITH all equipment, fittings, furniture, furnishings, appliances, apparatus, and machinery in which Mortgagor now or hereafter has a possessory, leasehold, title or other interest and now or hereafter installed in or on the Premises and all building materials, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein, other goods and personal property of whatever kind and nature now contained on or in or hereafter placed on or in the Premises and used or to be used in connection with the letting or operation thereof, in which Mortgagor now has or hereafter may acquire a possessory, leasehold, title or other interest and all renewals or replacements of any of the foregoing property or articles in substitution thereof (collectively, the “Equipment”);

TOGETHER WITH all right, title and interest of Mortgagor in and under all Accounts (including Health-Care-Insurance Receivables), Goods (including Inventory, Equipment and any Accessions thereto), Deposit Accounts, Documents, Documents of Title, Inventory, Records, Instruments, Chattel Paper (whether tangible or electronic), General Intangibles (including payment intangibles), Investment Property, Letter-of-Credit Rights (whether the letter of credit is evidenced in writing), Money, insurance and insurance claims, Supporting Obligations and Proceeds (as each of the foregoing capitalized terms are defined in the Uniform Commercial Code, as such is adopted and in effect in the State of Connecticut, including, without limitation, Title 42a of the Connecticut General Statutes, as amended (the “UCC”)), and all contract rights, money, security deposits, insurance or tax reserves deposited with Mortgagee, rights of Mortgagor under contracts with respect to the Premises or any portion thereof, copyrights, service-marks, other intellectual property and any goodwill associated therewith, trade-marks, franchises, books, records, drawings, plans, specifications, permits, licenses, approvals, actions and causes of action which now or hereafter relate to, are derived from or are used in connection with the Premises or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (collectively, the “Personal Property”);

TOGETHER WITH all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Premises, or any portion of the Premises (including proprietary leases or occupancy agreements if Mortgagor is a cooperative housing corporation), and all modifications, extensions or renewals thereof (collectively, the “Leases”);

TOGETHER WITH all rents (whether from residential or non-residential space), revenues and other income from the Premises, including subsidy payments received from any sources, including payments under any Subsidy Contract or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Premises, whether now due, past due, or to become due, and tenant security deposits (collectively, the “Property Income”);

TOGETHER WITH all proceeds, (including insurance proceeds) judgments, claims, compensation, awards of damages and settlements with respect to or hereafter made as a result of or in lieu of

any condemnation or taking of the Premises by eminent domain or any casualty, loss of, or damage to any of the Premises, the Appurtenances, the Equipment, the Personal Property, the Fixtures, the Leases, or the Property Income, all refunds with respect to the payment of property taxes and assessments, and all other proceeds of the conversion, voluntary or involuntary, of any ground lease, the Premises, the Appurtenances, the Equipment, the Personal Property, the Fixtures, the Leases or the Property Income, or any part thereof, into cash or liquidated claims (collectively, the "Proceeds").

The Fixtures, Subsidy Contracts, Equipment, the Personal Property, the Leases, the Property Income, and the Proceeds are hereinafter sometimes collectively referred to as the "Collateral" and the Mortgagor's leasehold, title or other interest, as applicable, in and to the Premises, the Appurtenances, and the Collateral are hereinafter sometimes collectively referred to as the "Mortgaged Property" or the "Property".

TO HAVE AND TO HOLD the above granted and bargained Mortgaged Property with the privileges and appurtenances thereof, unto it, the said Mortgagee, its successors and assigns forever, to its and their own proper use and behoof. And also, Mortgagor, does for itself, its successors and assigns, covenant with Mortgagee, its successors and assigns, that at and until the ensembling of these presents, it is well seized of the Mortgaged Property as a good indefeasible estate in FEE SIMPLE; and has good right to bargain and sell the same in manner and form as is above written; and that the same are free and clear of all liens and encumbrances whatsoever.

AND FURTHERMORE, Mortgagor does by these presents bind itself, its administrators, successors and assigns forever to WARRANT AND DEFEND the above granted and bargained Mortgaged Property to it, Mortgagee, its successors and assigns, against all claims and demands whatsoever, except with respect to the Permitted Encumbrances (as defined herein).

THE CONDITION OF THIS DEED IS SUCH that:

WHEREAS, Mortgagor is indebted to Mortgagee in the sum of up to: (i) [CONSTRUCTION LOAN AMOUNT WORDS][CONSTRUCTION LOAN AMOUNT DOLLARS], or so much thereof as may be advanced (the "Construction Loan") as evidenced by that certain Construction Loan Promissory Note (the "Construction Loan Note"); and (ii) [PERMANENT LOAN AMOUNT WORDS] [PERMANENT LOAN AMOUNT DOLLARS] or so much thereof as may be advanced (the "Permanent Loan"; the Permanent Loan and the Construction Loan, collectively, the "Loan") as evidenced by that certain Permanent Loan Promissory Note (the "Permanent Loan Note"; the Construction Loan Note and the Permanent Loan Note, collectively, the "Note") dated as of even date herewith executed by Mortgagor and delivered to Mortgagee, with interest at the rate or rates therein provided, both principal and interest being payable as therein provided, and all amounts remaining unpaid thereon being finally due and payable on [_____, 20___, as set forth in the Construction Loan Note and on [_____, 20___, as set forth in the Permanent Loan Note, a copy of both of which are attached hereto as **Exhibit B** and made a part hereof; and

WHEREAS, Mortgagor represents and warrants that it has full power and authority to execute and deliver the Note, this Mortgage, that certain Covenant of Compliance and Regulatory Agreement (the "Regulatory Agreement"), that certain Declaration and Agreement of Restrictive Covenants (the "Declaration") that certain Construction Loan and General Escrow Agreement (the "Loan & Escrow Agreement"), that certain Environmental Indemnification Agreement (the "Environmental Indemnification Agreement"), that certain Property Management Agreement (the "Property Management Agreement"), and all other documents and instruments required of Mortgagor by Mortgagee securing the Note or in connection

with the making or giving of the Loan (together with the Note, this Mortgage, the Declaration, the Regulatory Agreement, the Loan & Escrow Agreement, the Environmental Indemnification Agreement and the Property Management Agreement, collectively, the “Loan Documents”), the terms of which are hereby incorporated herein; and

WHEREAS, the building or Improvements (including site improvements) on said Mortgaged Property are in the process of construction, renovation and/or rehabilitation, and/or are to be erected or repaired; and

WHEREAS, Mortgagee has advanced the sums of [_____] AND ___/100THS DOLLARS (\$) and [_____] AND ___/100THS DOLLARS (\$) to Mortgagor on the date hereof; and

WHEREAS, Mortgagee has agreed to advance the balance of the Loan to Mortgagor in installments as the work progresses hereunder, the time and amount of each advance to be at the sole discretion and upon the estimate of Mortgagee, so that when all of the work on said Mortgaged Property shall have been completed to the satisfaction of Mortgagee, then Mortgagee shall, subject to the terms and conditions of this Mortgage and the other Loan Documents, pay over to Mortgagor any balance necessary to complete the Loan; and

WHEREAS, the maximum amount of the Construction Loan is [CONSTRUCTION LOAN AMOUNT WORDS] [CONSTRUCTION LOAN AMOUNT DOLLARS] and the maximum amount of the Permanent Loan is [PERMANENT LOAN AMOUNT WORDS] [PERMANENT LOAN AMOUNT DOLLARS]; and

WHEREAS, Mortgagor agrees to complete the construction, renovation, rehabilitation and/or erection or repair, of said buildings or Improvements (including site improvements) to the satisfaction of Mortgagee within a reasonable time from the date hereof, or, at the latest, on or before [_____] (___) months from the date hereof.

NOW THEREFORE, in order to more fully protect the security of this Mortgage, Mortgagor hereby warrants, covenants and agrees with Mortgagee as follows:

II. MORTGAGOR COVENANTS, WARRANTIES, REPRESENTATIONS AND AGREEMENTS.

1. **Title & Organization.** Mortgagor represents and covenants that: (a) Mortgagor has fee simple title to the Premises and good indefeasible title to the balance of the Mortgaged Property, free and clear of liens and encumbrances, except as set forth in **Exhibit C** attached hereto and made a part hereof (collectively, the “Permitted Encumbrances”); (b) Mortgagor has full power and lawful authority to give, grant, bargain, sell, confirm unto, assign, transfer, grant a security interest in and encumber the Mortgaged Property in the manner and form herein set forth; (c) this Mortgage is and will remain a valid and enforceable first priority lien on, and security interest in, the Mortgaged Property and Mortgagor will preserve such title and will forever warrant and defend the same and the validity and priority of the lien hereof to Mortgagee against all claims whatsoever; (d) Mortgagor maintains its chief executive office at the location set forth in the opening paragraph above, and Mortgagor will notify Mortgagee in writing of any change in its chief

executive office within five (5) days of such change; (e) Mortgagor's state of incorporation, organization, or formation, if applicable, is as set forth in the opening paragraph above; and (f) Mortgagor is the owner of the Collateral subject to no liens, charges or encumbrances other than the lien hereof.

2. Performance of Obligations. Mortgagor shall perform, observe and comply with all provisions hereof, of the Note and of the Loan Documents, and shall promptly pay to Mortgagee the principal of the Note with all applicable interest thereon and shall pay, perform and observe all of the obligations and conditions set forth in each of the Note, this Mortgage and all of the other Loan Documents (such obligations and indebtedness therein described being referred to herein, collectively, as the "Indebtedness"). All payments set forth in Section 7 hereof, and all payments to be made under the Note secured hereby shall be added together and the aggregate amount thereof shall be paid by Mortgagor each month in a single payment, on the date specified in the Note for payments of principal and interest, to be applied by Mortgagee as set forth in the Note. Any deficiency in the amount of said aggregate monthly payment required to be paid shall constitute an Event of Default (as defined herein) and the whole of said principal sum and all accrued unpaid interest thereon shall immediately become due and payable at the option of Mortgagee.

3. Use of Mortgaged Property. Mortgagor shall use the Mortgaged Property in accordance with the provisions of the Regulatory Agreement and the Property Management Agreement and shall not use the Mortgaged Property for any purpose other than the purpose intended on the date hereof. Mortgagor shall not, without the prior written consent of Mortgagee, change the use of the Mortgaged Property (or cause or permit the use or occupancy of any part of the Premises to be discontinued if such discontinuance would violate any zoning or other law, ordinance or regulation), consent to any zoning reclassification, modification or restriction affecting the Mortgaged Property, or convert the Mortgaged Property, or any portion thereof, to a common interest community form of ownership.

4. Protection and Maintenance; Compliance with Laws. Mortgagor shall at all times preserve and maintain the Mortgaged Property in good condition, working order and repair, and shall comply with all laws, statutes, ordinances, rules, codes, restrictive covenants, licenses, permits and regulations of any authority claiming jurisdiction over the Mortgaged Property. Mortgagor covenants and warrants that the Mortgaged Property presently complies with all such requirements and if Mortgagor receives any notice of non-compliance with any such requirement, Mortgagor shall provide Mortgagee with a copy of such notice promptly, and Mortgagor shall proceed to comply with such requirement and any terms and provisions of such notice. Mortgagor shall not commit or suffer any strip or waste of the Mortgaged Property, or any portion thereof, any violation of any law, statute, code, restrictive covenant, rule, regulation, ordinance, license or permit, or the requirements of any licensing authority affecting the Mortgaged Property or any business conducted thereon, and shall not commit or suffer any demolition, removal or material alteration of any of the Mortgaged Property (except for the replacement of Fixtures and Personal Property in the ordinary course of business, so long as items of comparable value and quality are installed free and clear of liens and encumbrances in favor of any other party), without the express prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, and Mortgagor shall not cause or permit to be suffered any destruction or loss (whether or not such loss is insured against) to the Personal Property or any part thereof.

5. Payment of Taxes and Prevention of Liens. Mortgagor shall pay, before delinquent or before any penalty for nonpayment attaches thereto, all taxes, assessments and charges of every nature and to whomever assessed that may now or hereafter be levied or assessed upon the Mortgaged Property or any part thereof, or upon the Property Income, Proceeds, or upon the lien or estate hereby created,

whether any or all of said taxes, assessments or charges be levied directly or indirectly or as excise taxes or as income taxes. Mortgagor may apply for tax abatements and prosecute diligently, and in good faith, claims for refund so long as: (a) no additional taxes, interest thereon or penalties are incurred thereby; (b) Mortgagor has given Mortgagee prior notice of such contest, (c) Mortgagor has deposited with Mortgagee an amount equal to at least one hundred ten percent (110%) of the total of: (i) the balance of such tax or assessment then remaining unpaid, and (ii) all interest, penalties, costs and charges accrued or accumulated thereon; and (d) no proceedings are instituted to divest Mortgagor of title to all or any portion of the Mortgaged Property. Mortgagor shall pay all sums which, if unpaid, may result in the imposition of a lien on the Mortgaged Property before such lien may attach (except that real estate taxes need not be paid prior to the due date thereof), or which may result in conferring upon a tenant of any part or all of the Mortgaged Property a right to recover such sums as prepaid rent. Notwithstanding any provision of this section to the contrary, Mortgagor shall pay any tax, charge or assessment which it might otherwise be entitled to contest if, in the reasonable opinion of Mortgagee, the Mortgaged Property is in jeopardy or in danger of being forfeited or foreclosed. Mortgagor shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Mortgagee by reason of its ownership of, or measured by amounts payable under, the Note, this Mortgage or any other Loan Document (other than income, franchise, doing business and other similar taxes), and shall pay all stamp taxes and other taxes (other than income, franchise, doing business and other similar taxes) required to be paid on the Note, this Mortgage or the other Loan Documents. If Mortgagor fails to make such payment within five (5) days after notice thereof from Mortgagee, Mortgagee may (but shall not be obligated to) pay the amount due, and Mortgagor shall reimburse Mortgagee on demand for all such advances.

6. Insurance. Mortgagor shall insure the Mortgaged Property and the operation thereof with such coverages and in such amounts as are required by the provisions of Mortgagee's policies and procedures in effect from time to time, and shall at all times keep such insurance in full force and effect and shall pay all premiums therefor annually, in advance. All such policies shall provide that they shall not be canceled, modified, or terminated without at least thirty (30) days' prior written notice to Mortgagee and Mortgagee shall be designated loss payee with respect to any hazard insurance under a standard mortgagee clause with respect thereto. Upon the date hereof and at least annually thereafter, Mortgagor shall provide Mortgagee with evidence of insurance coverages that meet Mortgagee's requirements to the satisfaction of Mortgagee and payment of all premiums therefor annually, in advance. The original or certified copies of all such policies of insurance, in form, content and manner of execution reasonably satisfactory to Mortgagee, shall be delivered to Mortgagee, and Mortgagor shall deliver to Mortgagee a new policy or certified copy thereof as replacement for an expiring policy required to be deposited hereunder together with proof of payment of the premiums therefor annually in advance at least thirty (30) days before the date of such expiration.

7. Escrow Funds. In order to secure the performance and discharge of Mortgagor's obligations hereunder, Mortgagor shall, on demand, pay to Mortgagee, in addition to the monthly installments of principal and interest under the terms of the Note and concurrently therewith, monthly until the said Note is paid, such amounts as Mortgagee from time to time estimates as necessary to create and maintain a reserve escrow fund from which to pay before the same become due: (a) all taxes, assessments, liens and charges on or against the Mortgaged Property; and (b) all premiums for insurance policies which are required by this Mortgage. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments, liens, charges and premiums. Such deposits shall not be, nor be deemed to be, trust funds and no interest shall be payable in respect thereof. Upon the occurrence of an Event of

Default, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine in its sole discretion, any amount under this section remaining to Mortgagor's credit. Mortgagee shall have no liability for deficiencies in the deposit amount or for payment of taxes, assessments, liens, charges and premiums arising from Mortgagor's failure to timely or adequately fund the deposits. Payments from such reserve fund for said purposes may be made by Mortgagee at its discretion even though subsequent owners of the property described herein may benefit thereby. Any excess funds accumulated hereunder remaining after payment of the items set forth in this section, shall be credited to the subsequent monthly payments of the same nature required hereunder and any remaining balance existing at maturity of the Note shall be credited to the principal secured hereby.

8. Casualty; Insurance Proceeds. If any part of the Mortgaged Property shall be lost, damaged or destroyed by fire or any other cause, the proceeds of any hazard insurance required hereunder shall be paid to Mortgagee. If Mortgagee delivers insurance proceeds for such loss to Mortgagor, then Mortgagor shall promptly restore the Mortgaged Property to the equivalent of its original condition as determined by Mortgagee, in accordance with the plans, drawings and specifications acceptable to Mortgagee. Mortgagee shall advance all hazard insurance proceeds for the restoration of the Mortgaged Property, so long as: (a) no Event of Default exists and is continuing hereunder; (b) such proceeds, together with any contribution provided by Mortgagor, are sufficient to restore the Mortgaged Property to its condition prior to the casualty to the satisfaction of Mortgagee; (c) at least five (5) years remain in the term of the Loan; (d) any Subsidy Contracts in effect with respect to the Mortgaged Property before the casualty shall remain in force and effect; (e) Mortgagee shall determine that, upon such restoration, the Mortgaged Property can be operating in a financially feasible manner; (f) rental interruption insurance benefits (or other revenues made available by or through Mortgagor) are available to cover the projected construction period loss in Property Income; and (g) the cost of restoration does not exceed twenty percent (20%) of the replacement value of the Development. Mortgagee shall advance any such insurance proceeds through Mortgagee's usual and customary procedures for loan advances. Otherwise, hazard insurance proceeds shall, at the option of Mortgagee, be applied to or toward the Indebtedness secured hereby in such order as Mortgagee may determine. Notwithstanding the foregoing, if the insurer denies liability to Mortgagor, Mortgagor shall not be relieved of any obligations under Section 2 of this Mortgage. In the event of loss, Mortgagor will give immediate written notice to Mortgagee and Mortgagee is hereby authorized to make proof of loss if not made promptly by Mortgagor and, following an Event of Default, to adjust or compromise any loss under any insurance policies on the Mortgaged Property. Each insurance company is hereby authorized and directed to make payment for all losses directly to Mortgagee alone and not to Mortgagor and Mortgagee jointly. Mortgagee may deduct from such insurance proceeds any expenses incurred by Mortgagee in the collection or handling of such funds. Proceeds of all insurance shall be held by and expended for the repair or rebuilding of the Development, provided that the date specified herein for completion of the Improvements shall be amended to a date reasonably determined by the Mortgagee. Advancement of the proceeds of insurance by Mortgagee to Mortgagor hereunder shall not affect the lien of this Mortgage for the full amount secured hereby prior to such advance. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

9. Condemnation. Mortgagor shall give Mortgagee immediate notice of any actual or threatened commencement of any condemnation proceedings affecting all or any part of the Mortgaged Property or any Appurtenances thereof, including severance and consequential damage and change in grade of streets, and Mortgagor shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Upon any condemnation of the Mortgaged Property or any part thereof, the entire unpaid balance of the Indebtedness secured hereby shall, at the option of Mortgagee, at once become due and

payable. Any award of damages on account of any such condemnation shall be paid to Mortgagee and such award shall, at the option of Mortgagee, be applied to or toward the Indebtedness secured hereby in such order as Mortgagee may determine in its sole discretion, or in the case of a partial taking, at Mortgagee's discretion, may be so applied or released to Mortgagor upon such conditions as Mortgagee may prescribe to be applied to restoration of that part of the Mortgaged Property that remains, but not more than such portion of such award as may be required to restore or repair such damage or injury shall be so released, and any balance remaining shall be applied by Mortgagee to or toward the Indebtedness secured hereby in such order as Mortgagee may determine in its sole discretion. Mortgagee is hereby authorized, at its option, to commence, appear in, and prosecute in its own or Mortgagor's name, any action or proceeding relating to any condemnation and to settle or compromise any claim in connection therewith.

10. Transfer and Encumbrance of Mortgaged Property. Except as otherwise specifically provided for in this Mortgage or the Regulatory Agreement, it shall be an Event of Default hereunder and Mortgagee may, at its option, accelerate all Indebtedness secured hereby, if, without Mortgagee's prior written consent in each instance, which consent may be granted, withheld or conditionally granted in Mortgagee's sole discretion: (a) there is any sale, conveyance, hypothecation, assignment, granting of a security interest in, transfer or encumbrance of, or lien imposed upon, all or any portion of the Mortgaged Property, including any interest of Mortgagor therein; (b) there is any transfer or assignment of, or grant of any security interest in, any of the direct or indirect ownership interests in Mortgagor; or (c) there is a failure to comply with the provisions of, or there is a default under, any of the Permitted Encumbrances (or any title exception approved with Mortgagee's prior written consent) unless cured within any applicable grace period provided for in the applicable Permitted Encumbrances (or any title exception approved with Mortgagee's prior written consent). Notwithstanding the foregoing, after payment by the limited partner or member of Mortgagor of all installments of capital equity contributions to be made by the limited partner or member of Mortgagor pursuant to the organizational agreement of Mortgagor approved by Mortgagee (collectively, the "Capital Contributions"), said limited partner or member may transfer, either directly or indirectly, all or part of its ownership interests in Mortgagor without the necessity of obtaining further consent of Mortgagee, *provided that* (i) following any such transfer, the general partner or manager/managing member shall remain the general partner or manager/managing member of Mortgagor, (ii) Mortgagee is provided with written notice of any such transfer within thirty (30) days thereof, (iii) the transfer complies with all other applicable statutes, rules, regulations and requirements; and (iv) within six (6) months preceding any such transfer, Mortgagee has not refinanced the tax exempt bonds, the proceeds of which Mortgagee used to fund the Loan.

11. Security Agreement; Fixture Filing. Mortgagor hereby grants a security interest to Mortgagee in all assets of Mortgagor, including, without limitation, all of the Collateral, now owned by Mortgagor or acquired or arising at any time hereafter, wherever located or situated, and all products and proceeds of the foregoing, all accessions and additions thereto and all substitutions and replacements therefor for the purpose of securing all obligations of Mortgagor under the Note, this Mortgage and the other Loan Documents. This Mortgage is intended to be a security agreement pursuant to the UCC for all of the assets of Mortgagor which, under applicable law may be subject to a security interest pursuant to the UCC, and Mortgagor hereby agrees that Mortgagee is authorized, without the need of signature by Mortgagor, to file financing statements naming Mortgagor as debtor from time to time and in such form as Mortgagee may require to perfect and maintain a security interest and lien with respect to said assets of Mortgagor. THIS MORTGAGE ALSO CONSTITUTES A FINANCING STATEMENT PURSUANT TO THE TERMS OF THE UCC WITH RESPECT TO ANY PART OF THE MORTGAGED PROPERTY THAT IS OR MAY BECOME A FIXTURE UNDER APPLICABLE LAW, AND WILL

BE RECORDED AS A "FIXTURE FILING" IN ACCORDANCE WITH THE UCC. Mortgagor shall pay all costs of filing such statements, continuations, and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements that Mortgagee may reasonable require. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage will automatically attach, without further act, to all after-acquired or arising assets of Mortgagor, including, without limitation, all Appurtenances and Collateral located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof; provided, however, that upon request of Mortgagee, Mortgagor shall execute and deliver such instrument or instruments as shall reasonably be requested by Mortgagee to confirm such lien. For purposes of this financing statement: (a) Mortgagor is the "debtor" with an address at the location set forth in the opening paragraph above; (b) Mortgagee is the "secured party" with an address at the location set forth in the opening paragraph hereof; and (c) the description of the "collateral" shall be all assets and other items of personal property included in the definition of Collateral herein. Mortgagor shall give Mortgagee thirty (30) days' notice prior to changing its name or identity, provided, that this provision shall not be deemed to be Mortgagee's consent thereto. Upon and during the continuance of an Event of Default: (a) Mortgagee may take possession of the Collateral or any part thereof and take such other measures as Mortgagee deems desirable for the care, protection and preservation of the Collateral; (b) Mortgagee may direct any party liable for payment with respect to the Collateral to make such payment directly to Mortgagee, and may demand, collect and receive any such payments; and (c) Mortgagor shall, at its expense, assemble the Collateral and make the Collateral available to Mortgagee at the Premises or any other place designated by Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent at least ten (10) days prior to such sale, disposition or other action shall, except as otherwise provided by the UCC, constitute reasonable notice to Mortgagor.

12. Environmental Compliance; Indemnification. Mortgagor shall at all times comply with the terms and conditions of the Environmental Indemnification Agreement.

13. Right to Inspect. Mortgagee and its agents shall, at all times while any Indebtedness remains due and owing, have the right to enter and inspect the Mortgaged Property and the Development. In no event shall Mortgagee, its directors, officers, employees and agents have any liability to Mortgagor, its contractors or architects or any of their employees, guests, invitees or agents or to any other third party in connection with any such observation. Said observations shall be made for the sole benefit of Mortgagee, as mortgage lender, and for the purpose of administering the Loan.

14. Indemnification. Mortgagor shall indemnify and hold Mortgagee and Mortgagee's directors, officers, employees and agents harmless from and against and reimburse them for all claims, demands, liabilities, losses, obligations, damages, judgments, penalties, costs and expenses (including reasonable attorneys' fees and amounts paid in settlement) which may be imposed upon, asserted against, or incurred or paid by any of them by reason of, on account of or in connection with any act or occurrence relating to the Development or any bodily injury, death, other personal injury or property damage occurring in, upon or in the vicinity of the Development through any cause whatsoever, except that directly caused by the gross negligence or willful misconduct of Mortgagee, its directors, officers, employees or agents, as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order.

15. Litigation; Notice of Proceedings. Mortgagor agrees promptly to notify Mortgagee in writing of: (a) any suits by or against Mortgagor, Mortgagee or the Development, (b) receipt of notice of a violation of any law, statute, code, rule, regulation or ordinance from any governmental authority relating to

the Mortgaged Property, (c) receipt of any notice of a default or an event of default from the holder of any other lien, encumbrance or security interest in the Mortgaged Property, or (d) commencement of any judicial or administrative proceedings by, against or otherwise affecting Mortgagor, the Mortgaged Property, or any other entity controlling or controlled by or under common control with Mortgagor, or any other action by any creditor thereof as a result of any default under the terms of any loan. No litigation seeking the recovery of a sum in excess of \$25,000.00 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$25,000.00 or suit for specific performance be settled or compromised by Mortgagor unless prior written consent thereto has been obtained from Mortgagee. Such consent may be subject to such terms and conditions as Mortgagee may, in its sole discretion, prescribe.

16. Past Due Obligations. Mortgagor shall notify Mortgagee, in writing, in the event any Operating Obligations (as defined below) of the Development are more than sixty (60) days past due. Such notice shall state with specificity the Operating Obligations that are overdue. As used in this Section, "Operating Obligations" of the Development shall mean the usual and customary expenses of operating a residential housing development, including but not limited to, debt service, taxes, replacement reserve obligations, insurance premiums, utility payments, management fees, and payments to the providers of goods and services to the Development. Upon the issuance of such notice, Mortgagor shall either immediately escrow with Mortgagee the amount of all past due Operating Obligations, or immediately pay such obligations so that no Operating Obligations are more than thirty (30) days past due.

17. Assignment of Rentals; Right to Possession; Receiver; Leases.

(a) As part of the consideration for the Indebtedness, Mortgagor absolutely and unconditionally assigns and transfers to Mortgagee all Leases and Property Income. It is the intention of Mortgagor to establish present, absolute and irrevocable transfers and assignments to Mortgagee of all Leases and Property Income and to authorize and empower Mortgagee to collect and receive all Property Income without the necessity of further action on the part of Mortgagor. Mortgagor and Mortgagee intend the assignments and transfers of Leases and Property Income to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments and transfers of Leases and Property Income, and for no other purpose, the Leases and Property Income shall not be deemed to be a part of the Mortgaged Property.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Mortgagor shall have a revocable license to exercise all rights, power and authority granted to Mortgagor under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Property Income, to hold all Property Income in trust for the benefit of Mortgagee, and to apply all Property Income to pay the Indebtedness and the other amounts then due and payable under the other Loan Documents, including escrow payments, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, tenant improvements and other capital expenditures.

(c) If an Event of Default has occurred and is continuing, without the necessity of Mortgagee entering upon and taking and maintaining control of the Mortgaged Property directly,

by a receiver, or by any other manner or proceeding permitted by applicable law, the revocable license granted to Mortgagor pursuant to this section shall automatically be revoked and terminate, and Mortgagee shall immediately have all rights, powers and authority granted to Mortgagor under any Lease (including the right, power and authority to modify the terms of any such Lease, extend or terminate any such Lease or enter into new Leases) and, without notice, Mortgagee shall be entitled to all Property Income as it becomes due and payable, including Property Income then due and unpaid. During the continuance of an Event of Default, Mortgagor authorizes Mortgagee to collect, receive, retain, sue for and compromise any and all Property Income and hereby directs each tenant of the Mortgaged Property to pay all Property Income to, or as directed by, Mortgagee, without further consent of Mortgagor, and Mortgagor shall, upon Mortgagor's receipt of any Property Income from any sources, immediately pay and deliver the total amount of such Property Income to Mortgagee, and, until Mortgagor has paid and delivered such Property Income to Mortgagee, Mortgagor shall hold such Property Income in trust for the benefit of Mortgagee. Although the foregoing rights of Mortgagee are self-effecting, at any time during the continuance of an Event of Default, Mortgagee may make demand for all Property Income, and Mortgagee may give, and Mortgagor hereby irrevocably authorizes Mortgagee to give, notice to all tenants of the Mortgaged Property instructing them to pay all Property Income to Mortgagee. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Mortgagor any amounts that are actually paid to Mortgagee in response to such a notice. Any such notice by Mortgagee shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Mortgagee may, regardless of the adequacy of Mortgagee's security or the solvency of Mortgagor, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Mortgagor and its representatives, agents and employees therefrom, in order to perform all acts that Mortgagee, in its discretion, determines to be necessary or desirable for the management, operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Property Income (including through use of a lockbox, at Mortgagee's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Property Income, protecting the Mortgaged Property or the security of this Mortgage and the Loan, or for such other purposes as Mortgagee in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Mortgagee under this Mortgage or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Mortgagee's security or Mortgagor's solvency, and without the necessity of giving prior notice (oral or written) to Mortgagor, Mortgagee may apply to any court having jurisdiction for the appointment of a receiver for Mortgagor or the Mortgaged Property to take any or all of the actions set forth in this section. If Mortgagee elects to seek the appointment of a receiver for Mortgagor or the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Mortgagor, by its execution of this Mortgage, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Mortgagor consents to shortened time consideration of a motion to appoint a receiver. Mortgagee or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing, operating and/or maintaining the Mortgaged Property and such fee shall become an additional part of the

Indebtedness. Immediately upon appointment of a receiver or Mortgagee's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Property Income, shall be surrendered to Mortgagee or the receiver, as applicable. If Mortgagee or receiver takes possession and control of the Mortgaged Property, Mortgagee or the receiver may exclude Mortgagor and its representatives, agents and employees from the Mortgaged Property.

(f) The acceptance by Mortgagee of the assignments of the Leases and Property Income pursuant to this section shall not at any time, or in any event, obligate Mortgagee to take any action under any Loan Document or to expend any money or to incur any expense. Mortgagee shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property. Prior to Mortgagee's actual entry upon and taking possession and control of the Development, Mortgagee shall not be: (i) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease), (ii) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or (iii) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Mortgage shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Mortgagor, prior to such actual entry and taking possession and control by Mortgagee of the Development.

(g) Mortgagee shall be liable to account only to Mortgagor and only for Property Income actually received by Mortgagee. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Property by reason of any act or omission of Mortgagee under this section, and Mortgagor hereby releases and discharges Mortgagee from any such liability to the fullest extent permitted by law, provided that Mortgagee shall not be released from liability that occurs as a result of Mortgagee's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Property Income are not sufficient to meet the costs of taking control of and managing, operating, and maintaining the Mortgaged Property and collecting the Property Income, any funds expended by Mortgagee for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Mortgagee or the receiver, and any application of Property Income as provided in this Mortgage, shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee under applicable law or provided for in this Mortgage or any Loan Document.

(h) Mortgagor hereby represents, warrants and covenants as follows: (i) each Lease is and shall be in full force and effect and is and shall be valid and enforceable in accordance with its terms; (ii) no rent has been or will be collected more than one (1) month in advance; (iii) no Lease, or any interest therein, nor Property Income has been or will be pledged, assigned, transferred, hypothecated, mortgaged, or subject to a lien or other security interest; (iv) no tenant has, and Mortgagor shall not willingly permit any tenant to have, any defense, setoff or

counterclaim against Mortgagor under any Lease; (v) all Property Income due under the Leases has and will be collected and no concessions with respect thereto shall be granted by Mortgagor.

18. Mortgagee's Rights. If Mortgagor fails to perform any of its obligations under this Mortgage or any other Loan Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Mortgagee's security, rights or interests under this Mortgage or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of environmental laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Mortgagee may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Mortgagee reasonably deems necessary to perform such obligations of Mortgagor and to protect the Mortgaged Property or Mortgagee's security, rights or interests in the Mortgaged Property or the Loan, including: (a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants; (b) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property; (c) obtaining (or force-placing) the insurance required by the Loan Documents; and (d) paying any amounts required under any of the Loan Documents that Mortgagor has failed to pay. Any amounts so disbursed or paid by Mortgagee shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this section shall not be deemed to obligate or require Mortgagee to incur any expense or take any action.

19. Events of Default. Any one or more of the following events shall be defined as an "Event of Default":

(a) Failure by Mortgagor to pay when due any of the following, which failure to pay continues for thirty (30) calendar days: (i) any periodic installment of interest or principal which shall become due and payable under the Note; or (ii) the outstanding principal balance on the Note, together with interest accrued thereon, at Maturity (as defined in the Note); or (iii) any monthly escrow amount for taxes, assessments, liens, charges or insurance when due hereunder; or (iv) any other sums to be paid by Mortgagor hereunder, under the Note or under any of the Loan Documents, when due hereunder or thereunder;

(b) Failure by Mortgagor to duly keep, perform and observe any other covenant, condition or agreement in the Loan Documents, which continues for thirty (30) calendar days after Mortgagee has given Mortgagor written notice thereof;

(c) Failure to comply with the requirements set forth in (i) the Declaration, the Regulatory Agreement, the Property Management Agreement, or any of the Loan Documents (beyond any applicable cure period provided therein) with respect to multifamily residential rental housing to members of the general public of low and moderate income, or (ii) any low-income housing commitment or Subsidy Contract, or any loss or diminution in the low income housing tax credits or any historic rehabilitation tax credits applicable to or represented by Mortgagor as being available to the Development;

(d) The occurrence of a default or breach of condition (beyond any applicable cure period) under the terms of any other agreement, document or instrument relating to the Mortgaged Property or the Loan (other than the Note, this Mortgage or any of the other Loan

Documents), evidencing any indebtedness, covenant, liability, obligation or undertaking due to, or made for the benefit of, Mortgagee or the Mortgaged Property, by (i) Mortgagor (or any constituent entity or individual), (ii) any endorser, surety or guarantor hereof, and/or (iii) any entity owned, legally or beneficially, by Mortgagor and/or any endorser, surety or guarantor hereof, whether such indebtedness, covenants, liabilities, obligations or undertakings are direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, joint, several or joint and several, primary or secondary, now existing or hereafter arising;

(e) If any material inaccuracy shall exist in any of the financial statements, certificates or in any other information furnished, or to be furnished, by Mortgagor to Mortgagee pursuant to the provisions of the Loan Documents or otherwise, or any material untruth in any representation or warranty of Mortgagor contained in any of the Loan Documents;

(f) The filing by Mortgagor (or any member, manager, partner, general partner or other constituent entity or individual of Mortgagor) of any petition, arrangement, reorganization, or the like under any insolvency or bankruptcy law and such petition shall not have been vacated within forty-five (45) days after the filing thereof, or the adjudication of Mortgagor (or any member, manager, partner, general partner or other constituent entity or individual of Mortgagor) as a bankrupt in an involuntary case and such judgment or decree is not vacated or set aside within forty-five (45) days after the rendering thereof, or the making of an assignment for the benefit of creditors, or the appointment of a receiver or custodian for Mortgagor or any part of any of its properties, or a calling of a meeting of creditor or liquidating agents or offering of a composition or extension to creditors by, for or on behalf of Mortgagee (or any member, manager, partner, general partner or other constituent entity or individual of Mortgagor);

(g) Passage or enforcement of any federal, state, or local law, or the rendition of a final decision of any court in any way impairing Mortgagee's ability to charge and collect the interest stated under the Note; or

(h) Any deviation from the drawings, plans and specifications accepted by Mortgagee or other construction, renovation and/or rehabilitation requirements of Mortgagee for the Mortgaged Property in the construction, renovation and/or rehabilitation of the Mortgaged Property, or any failure to apply Loan advances received under the terms of the Loan Documents for the purposes approved by Mortgagee.

20. Remedies. If an Event of Default occurs (or at any time during the continuance of an Event of Default), all sums outstanding and unpaid under the Note and this Mortgage shall, at Mortgagee's option, or immediately and automatically upon the occurrence of an Event of Default under Section 19(f), bear interest at the Default Rate set forth in the Note and Mortgagee may, and shall be entitled to:

(a) declare without demand or notice the outstanding Indebtedness to be due and payable immediately, and upon such declaration, such Indebtedness shall immediately become and be due and payable without demand or notice and with all costs, expenses and attorneys' fees, and without relief from valuation or appraisal laws;

(b) proceed to foreclose this Mortgage or sell (by the power of sale granted herein or otherwise) the Mortgaged Property or any party thereof anything herein or in said Note to the contrary notwithstanding;

(c) the immediate appointment of a receiver of the Mortgaged Property without regard to the value of the Mortgaged Property or the solvency of any person or persons liable for the payment of the Loan and regardless of whether Mortgagee has an adequate remedy at law and, whether or not a receiver has been appointed, Mortgagee may proceed to collect the rents and benefits of said Mortgaged Property and apply the same against the Indebtedness;

(d) institute and maintain such suits and proceedings and do such acts as Mortgagee may deem advisable to prevent any impairment of the Mortgaged Property, preserve and protect its interest in the Mortgaged Property, and restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest;

(e) in the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial case or proceedings affecting Mortgagor, its creditors or its property, to the extent permitted by law, file such proofs of claim and other documents as may be necessary or advisable in order to have Mortgagee's claim(s) allowed in such case or proceedings for the entire Indebtedness, at the date of the institution of such case or proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date;

(f) complete the Improvements on the Mortgaged Property in accordance with the drawings, plans and specifications previously accepted by Mortgagee with such changes as Mortgagee shall deem appropriate, all at the risk, cost and expense of Mortgagor;

(g) discontinue at any time any work commenced on the Improvements;

(h) engage builders, contractors, engineers, architects and others for the purpose of furnishing labor, material and equipment in connection with the Improvements, which personnel may, but need not, be the same as those engaged by Mortgagor;

(i) pay, compromise or settle all bills or claims incurred in connection with the Improvements;

(j) exercise its rights as a secured party under the UCC; and

(k) take (or refrain from taking) such action as Mortgagee may from time to time determine, at Mortgagor's sole cost and expense, and exercise any of its rights at law or in equity, options and remedies provided under the Loan Documents or otherwise afforded by applicable law and make all decisions, judgments and determinations under this Mortgage and the other Loan Documents in its sole discretion.

21. Cumulative Rights. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage or any other Loan Document is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other Loan Document, or now or hereafter existing at law, in equity or by statute. Except as otherwise expressly provided herein, Mortgagee may exercise its rights, options and remedies and may make all decisions, judgments and determinations under this Mortgage and the other Loan Documents in its sole discretion. Nothing in this Mortgage shall be construed as obligating Mortgagee to take any action or incur any obligation or liability with respect to the Mortgaged Property or any business or activities conducted thereon or in connection therewith, and all rights, powers and remedies given to Mortgagee are for its benefit and shall and may be exercised in such order and in such combination as Mortgagee in its sole discretion may from time to time decide.

22. No Waiver. No consent or waiver, express or implied, by Mortgagee to or of any Event of Default by Mortgagor shall be construed as a consent or waiver to or of any other Event of Default at the same time or upon any future occasion.

23. Expenses. Mortgagor shall pay all fees and costs for the following: (a) if an Event of Default occurs, preparation for enforcement of this Mortgage or any of the other Loan Documents, whether or not suit or other action is actually commenced or undertaken; (b) enforcement of this Mortgage or any of the other Loan Documents or any act taken to defend or uphold the lien granted by this Mortgage; (c) court, administrative or other legal proceedings of any kind to which Mortgagee may be a party, either as plaintiff or defendant, by reason of the Note, this Mortgage or any other Loan Document; (d) preparation for and actions taken in connection with Mortgagee's taking possession of the Mortgaged Property; (e) negotiations with Mortgagor, in connection with the existence or cure of any Event of Default; (f) the transfer of the Mortgaged Property in lieu of foreclosure; and (g) expenses incurred by Mortgagee in connection with the acceptance by Mortgagee of actions taken or proposed to be taken by Mortgagor, its beneficiary, or other person or entity for which acceptance is required by the terms of this Mortgage or any other instrument securing the Note. Mortgagor will, upon demand by Mortgagee, reimburse Mortgagee for all such expenses which have been incurred or which shall be incurred by it. Mortgagee may (a) appear in and defend any action or proceeding, in the name and on behalf of either Mortgagor or Mortgagee, in which Mortgagee is named or which Mortgagee in its reasonable discretion determines may adversely affect the Mortgaged Property, this Mortgage, the lien hereof or any other Loan Document; and (b) institute any action or proceeding which Mortgagee in its sole discretion determines should be instituted to protect or defend its interest in the Mortgaged Property or its rights under or the lien of this Mortgage or any other Loan Document. Mortgagor agrees to pay or reimburse Mortgagee on demand for all advances and expenses (including reasonable attorneys' fees) relating to or incurred by Mortgagee in connection with any such action or proceeding.

24. Attorney-In-Fact. Mortgagor hereby irrevocably constitutes and appoints Mortgagee, which constitution and appointment shall be coupled with an interest, or any agent designated by Mortgagee, for so long as this Mortgage remains undischarged of record, as attorney-in-fact of Mortgagor to execute, acknowledge, seal and deliver all instruments, agreements, deeds, certificates and other documents of every nature and description, for and on behalf of and in the name of Mortgagor, and to take such actions Mortgagee deems advisable in order to carry out or implement the exercise of Mortgagee's rights hereunder and under the other Loan Documents.

25. Marshaling. Mortgagee shall not be compelled to release, or be prevented from foreclosing or enforcing, this Mortgage as to all or any part of the Mortgaged Property, unless the entire Indebtedness shall be paid. Mortgagee shall not be required to accept any part or parts of the Mortgaged Property, as distinguished from the entire whole thereof, as payment of the Indebtedness to the extent of the value of any apportionment of the Indebtedness to or among any separate parts of the Mortgaged Property. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Mortgagee or by any other party, Mortgagee shall have the right to determine in its sole discretion the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Mortgage and the other Loan Documents (including a sale of the Premises in one (1) parcel as an entirety or in separate lots or parcels at the same or different times), and the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Mortgagor, for itself and all who may claim by, through or under it, and any party who now or in the future acquires a security interest, lien or other encumbrance on or in the Mortgaged Property and who has actual or constructive notice of this Mortgage, waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times in connection with the exercise of the remedies provided in this Mortgage and the other Loan Documents.

26. Limitation on Liability. In any action or proceeding brought on the Mortgage, the Note, or any of the other Loan Documents in which a money judgment is sought, Mortgagee will look solely to the Mortgaged Property and Mortgagor's interest in the Mortgaged Property and in all present and future Leases and Property Income, provided that this shall not impair Mortgagee's right to (i) seek and obtain a money or deficiency judgment against Mortgagor or any partner, member or shareholder of Mortgagor, or against any member, shareholder or partner of the general partner of the Mortgagor, to the extent set out in the Note, or to seek a deficiency judgment against Mortgagor in order to fully realize any security for the Indebtedness or to commence any other appropriate action or proceeding in order for Mortgagee to exercise its remedies against any security for the Indebtedness, (ii) seek and obtain a judgment for any Proceeds which Mortgagee would otherwise be entitled to under this Mortgage or the other Loan Documents, and (iii) enforce the provisions of the Environmental Indemnity and any rights and remedies of Mortgagee thereunder. To the maximum extent permitted by applicable law if the Mortgaged Property is sold for an amount less than the amount of outstanding Indebtedness, then the deficiency shall be determined by the purchase price at the sale(s) of the Mortgaged Property. Interest on any deficiency judgment shall accrue at the Default Rate.

27. Continuing Power of Sale. The POWER OF SALE conferred upon Mortgagee in this Mortgage, which may be enforced to the maximum extent now or hereafter permitted by law, shall not be exhausted by any one or more sales as to any portion of the Mortgaged Property remaining unsold, but shall continue unimpaired until all of the Mortgaged Property is sold or all of the Indebtedness is paid. Mortgagee shall have the right to become the purchaser at any such sale(s), and in lieu of paying cash may settle the purchase price by crediting the Indebtedness with such purchase price after deducting all costs, expenses and other sums incurred by Mortgagee in connection with such sale(s).

28. Lien and Right Of Setoff. Mortgagor hereby gives the Mortgagee a lien and right of setoff for all of Mortgagor's liabilities hereunder upon and against all deposits, credits, and property of Mortgagor and Mortgagor's endorsers or guarantors other than the Premises and any other collateral of Mortgagor now or hereafter in possession or control of Mortgagee or in transit to it. Mortgagee may, at any time after an

Event of Default has occurred and continued beyond any applicable notice and cure period, apply the same or any part thereof to any liability of Mortgagor to Mortgagee even though un-matured.

29. Notices. Any notice or other communication in connection with this Mortgage shall be in writing and (a) deposited in the United States mail, postage prepaid, by registered or certified mail; or (b) hand delivered by any commercially recognized courier service or overnight delivery service, such as FedEx; or (c) sent by facsimile transmission if a fax number is designated below, addressed as follows:

If to Mortgagor: _____

Attention: _____
Fax: (____) _____

with a copy to: _____

Attention: _____
Fax: (____) _____

If to Mortgagee: Connecticut Housing Finance Authority
999 West Street
Rocky Hill, Connecticut 06067-4005
Attention: Legal Department

Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above. A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address; or (iii) if facsimile transmission is a permitted means of giving notice, upon receipt as evidenced by confirmation. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

30. Prejudgment Remedy Waiver. MORTGAGOR REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF MORTGAGOR ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. THE MORTGAGOR HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR

FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES MORTGAGEE MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS. MORTGAGOR FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH MORTGAGEE'S EXERCISE OF ANY PREJUDGMENT REMEDY. MORTGAGOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

31. Waiver of Jury Trial. MORTGAGOR WAIVES TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTION OF WHICH THE NOTE AND THIS MORTGAGE ARE A PART AND/OR IN THE DEFENSE OR ENFORCEMENT BY MORTGAGEE OR ANY OF MORTGAGEE'S RIGHTS AND REMEDIES HEREUNDER OR UNDER APPLICABLE LAW. MORTGAGOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

32. Open-End Mortgage. This is an "Open-End Mortgage" and the holder hereof shall have all of the rights, powers and protection to which the holder of any Open-End Mortgage is entitled under Connecticut law. Mortgagee may, in its discretion, make future advances to or for the benefit of Mortgagor or the Mortgaged Property. Any future advance, and the interest payable thereon, shall be secured by this Mortgage as evidenced by the Note. At no time shall the principal amount of the Indebtedness secured by this Mortgage exceed the original principal amount of the Note, nor shall the maturity of any future advance secured hereby extend beyond the date the final principal payment is due on the Note. Mortgagor hereby waives, for itself or any of its assigns who assume this Mortgage, any right it may have under Connecticut General Statutes Section 49-2(c)(7), as amended, or otherwise to terminate Mortgagee's right to make optional future advances, including advances by Mortgagee pursuant to this Mortgage and the Loan Documents.

33. Further Assurances. Mortgagor shall do, execute, acknowledge and deliver, at its sole cost and expense, such further acts, instruments or documentation, including additional Mortgagee title insurance policy endorsements (or title policies if the title company issuing the original Mortgagee title insurance policy is no longer solvent and a solvent insurer has not assumed the obligations and liabilities under the original policy), as Mortgagee may reasonably require from time to time to better assure, transfer and confirm unto Mortgagee the rights now or hereafter intended to be granted to Mortgagee under this Mortgage or any of the Loan Documents.

34. Waiver of Redemption; No Hindrance. To the maximum extent permitted by applicable law, Mortgagor (i) shall not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisal, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force or in order to prevent or hinder the enforcement or foreclosure of this Mortgage, (ii) for itself and all persons who may claim by, through or under Mortgagor, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Mortgage, and (iii) shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any

right, power remedy herein or otherwise granted or delegated to Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted.

35. Mortgagee-in-Possession. The exercise by Mortgagee of any of its rights and remedies under this Mortgage shall not be construed to make Mortgagee a mortgagee-in-possession of the Mortgaged Property so long as Mortgagee has not itself entered into actual possession of the Premises.

36. Lost Instruments. If any Loan Document shall be lost, destroyed or mutilated, Mortgagor shall execute and deliver to Mortgagee another original of such Loan Document.

37. Miscellaneous.

(a) Neither this Mortgage nor any term hereof may be altered, amended, modified, discharged or terminated orally or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

(b) Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee shall bind and inure to the benefit of their respective heirs, successors and assigns, whether so expressed or not, *provided, however*, that Mortgagor may not assign its rights or obligations under this Mortgage without the prior written consent of Mortgagee, which consent shall be in Mortgagee's sole discretion. All terms contained herein shall be construed, whenever the context of this Mortgage so requires, so that the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

(c) This Mortgage shall be governed by the laws of the State of Connecticut without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Mortgagor agrees that any controversy arising under or in relation to the Loan, this Mortgage and the other Loan Documents shall be litigated exclusively in the State of Connecticut. The state and federal courts and authorities with jurisdiction in the State of Connecticut shall have exclusive jurisdiction over all controversies that arise under or in relation to the Loan, this Mortgage and the other Loan Documents. Mortgagor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

(d) Notwithstanding anything contained herein to the contrary, the parties are not engaged in a partnership, joint venture or association and nothing contained herein shall be construed to imply the same.

(e) False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.

(f) So long as any Indebtedness shall remain unpaid, fee title to and any other estate in the Mortgaged Property shall not merge, but shall be kept separate and distinct, notwithstanding the union of such estates in any person or entity.

(g) The Mortgage and the Loan Documents supersede all prior agreements between the parties with respect to the Loan transaction which they evidence, whether oral or written, including without limitation, all correspondence between the parties and between counsel for their respective parties. The Mortgage and the Loan Documents constitute the sole and entire agreement between the parties hereto with respect to the subject Loan transaction, and the rights, duties, and obligations of the parties with respect thereto. In executing this Mortgage, Mortgagor acknowledges that Mortgagor is not relying on any statement, representation, warranty, covenant or agreement of any kind (written or oral) made by Mortgagee or any employee or agent of Mortgagee, except for the agreements of Mortgagee set forth in the Loan Documents.

(h) Mortgagor hereby agrees that Mortgagor: (i) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s) (A) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, (B) was not abated within the time fixed by the citations, and (C) such citation has not been set aside; and (ii) has not received one or more criminal convictions related to the injury or death of any employee in such three year period. Mortgagor agrees to comply with the Civil Rights Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, incorporated herein by reference.

(i) All references in this Mortgage to “foreclosure” shall be deemed to include judicial foreclosure, non-judicial foreclosure, strict foreclosure, foreclosure by sale and the taking of a deed in lieu of foreclosure.

(j) Captions and headings herein are for convenience only and shall be disregarded in construing this Mortgage. All references to statutes and regulations shall mean such statutes and regulations as amended from time to time. Unless otherwise provided, if Mortgagee’s approval, consent, determination, designation, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, consent, determination, designation, selection, estimate, action or decision shall be made in Mortgagee’s sole discretion. The term “including” means “including, but not limited to” and “including, without limitation” and is for example only and not a limitation.

(k) Time is of the essence with respect to each and every obligation of Mortgagor herein.

NOW THEREFORE, if the obligations, which in accordance with the provisions hereof shall be secured hereby, and any extensions or renewals thereof and any and all other amounts due hereunder or under the Note, this Mortgage and the Loan Documents shall be well and truly paid according to their tenor, and if all agreements and provisions contained herein and in the Note, this Mortgage and the Loan Documents are fully kept and performed, then this Mortgage shall become null and void, otherwise to remain in full force and effect.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, Mortgagor has hereunto set its hand this ____day of _____, 20__.

Signed, Sealed and Delivered
in the Presence of:

[MORTGAGOR]
By: [_____]
Its [_____]

Name:

By:_____
Name:
Title:
Duly Authorized

Name:

STATE OF CONNECTICUT)
)
COUNTY OF HARTFORD)

ss. Rocky Hill , 201__

Personally appeared, __[Name]_____, __[Title]_____ of [_____], a [_____] and the [_____] of [MORTGAGOR], a [STATE OF FORMATION] [LEGAL ENTITY TYPE], as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be [his/her] free act and deed as __[Title]_____ of [_____], and the free act and deed of [MORTGAGOR], and that said instrument was signed on behalf of and with the authority of said [LEGAL ENTITY TYPE], before me.

Commissioner of the Superior Court
Notary Public

Exhibit A

[Property Description]

Exhibit B

[Construction Loan Note & Permanent Loan Note]

Exhibit C

[Permitted Encumbrances]

After recording, return to: CHFA, 999 West Street, Rocky Hill, CT 06067, Attn: Legal

COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT

This COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT (this “Agreement”) is made and entered into as of the [___] day of [_____, 201___ by and between [MORTGAGOR], a limited partnership organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR’S ADDRESS] (the “Mortgagor”) and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the “Mortgagee”),

WITNESSETH:

WHEREAS, Mortgagor, as owner in fee simple of the property described in **Exhibit A**, attached hereto and made a part hereof (the “Property”), has applied to the Mortgagee for a first priority mortgage loan in the amount of up to [TOTAL LOAN AMOUNT WORDS] [TOTAL LOAN AMOUNT DOLLARS] to aid Mortgagor in financing the construction/renovation of a multifamily rental housing development for persons of low and moderate income on the Property, pursuant to the provisions of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended (the “Act”), the Internal Revenue Code of 1986, as amended, (the “Code”), and the regulations and procedures promulgated thereunder, as amended (the “Regulations”);

WHEREAS, the Property is known as [DEVELOPMENT NAME], located at [DEVELOPMENT ADDRESS], Connecticut and is identified as CHFA Loan No. [CHFA LOAN NUMBER];

WHEREAS, Mortgagor acknowledges that the Mortgagee is providing the Loan (as hereafter defined) to Mortgagor to finance the Development (as hereafter defined) in furtherance of its corporate purposes under the Act, and the accomplishment of such purposes is dependent in part upon compliance by Mortgagor with the restrictive covenants set forth herein;

WHEREAS, the Mortgagee is unwilling to make the Loan unless the Mortgagor shall be regulated in the manner set forth herein, and the Mortgagor is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations;

WHEREAS, Mortgagor acknowledges the resulting beneficial interest of the Mortgagee in the Development and acknowledges that Mortgagor’s ownership and operation of the Development are in furtherance of the discharge of a public trust; and

WHEREAS, the Mortgagee, as a condition of its willingness to make the Loan, requires that Mortgagor, by entering into the restrictions, terms, conditions and covenants set forth below, consent to be regulated and restricted by the Mortgagee in the management and operation of the Development as herein provided and as provided by the Loan Documents (as defined below), the Act, the Code, the Regulations, and any rules, regulations, policies, and procedures of the Mortgagee; and

WHEREAS, Mortgagor is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations.

NOW, THEREFORE, in consideration of the Loan, and of the mutual promises and covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

I. PROPERTY.

This Agreement affects the Property which is described in **Exhibit A** attached hereto and made a part hereof.

II. DEFINITIONS.

As used in this Agreement, the terms below shall have the definitions set forth for each one:

“Actual Cash Equity” means Mortgagor's equity in the Development (as defined in the Act), as verified by an independent cost certification accepted by Mortgagee in its sole discretion;

“Additional Interest” means an annual payment due under the Loan Documents equal to zero percent (0%) [] percent [(%)] of Adjusted Cash Flow;

“Adjusted Cash Flow” means an annual amount determined by Mortgagee in its sole discretion for the applicable Fiscal Year equal to audited net income *plus* all non-cash expenses including amortization and depreciation, *plus* any and all finance charges unrelated to the Loan, *less* interest income earned on reserves, *less* annual amounts disbursed under Section IV(1)(a) and Section IV(1)(b);

“Annual Distribution” means a withdrawal or taking of any assets of Mortgagor (including the segregation of cash or any assets for subsequent withdrawal) equal to no more than ten percent (10%) of Actual Cash Equity, as determined by Mortgagor in its sole discretion on an annual basis;

“Apartment Mix” means the Qualified Units in the Development, as follows:

Area Median Income “ <u>AMI</u> ”	<u>1-Bedroom</u> <u>Units</u>	<u>2-Bedroom</u> <u>Units</u>	<u>3-Bedroom</u> <u>Units</u>	<u>Totals</u>
At or below 25% AMI				
At or below 50% AMI				
At or below 60% AMI				
At or below 120% AMI				
Total				

“Approved Plans” means those certain plans, drawings and specifications described to the Mortgagee’s Board of Directors in the authorizing resolution adopted [DATE OF RESOLUTION], and as amended and accepted by Mortgagee;

“Commitment Letter” means that certain Commitment Letter made by and between Mortgagee and Mortgagor dated as of [_____, 20__];

“Compliance Period” means with respect to any building on the Property, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the credit period (as defined in Section 42(i)(1) of the Code with respect thereto);

“Construction Contract” means that certain general construction contract dated [CONTRACT DATE] made by and between Mortgagor and [CONTRACTOR], a [_____] , relating to the construction/rehabilitation of the Development;

“Construction Loan” means that certain [CONSTRUCTION LOAN AMOUNT DOLLARS] interest bearing obligation evidenced by the Construction Loan Note;

“Construction Loan Note” means that certain promissory note dated as of even date herewith made by Mortgagor to the order of Mortgagee in the original principal amount of up to [CONSTRUCTION LOAN AMOUNT DOLLARS];

“Declaration” means that certain Declaration and Agreement of Restrictive Covenants made by and between Mortgagor and Mortgagee dated as of even date herewith;

“Default” means an “Event of Default,” as defined in the Mortgage (as hereinafter defined);

“Development” means all real and personal property and all assets of whatever nature or wherever situate, used in or owned by the business conducted on the Property, which business is to provide rental housing accommodations for persons of low and moderate income and other facilities incidental thereto, including, without limitation, the facilities described in the Approved Plans;

“Development Operations Account” means that certain depository account established by Mortgagor with a bank or financial institution in the State which has been approved and accepted by Mortgagee in its sole discretion;

“ELIHC” means that certain Extended Low-Income Housing Commitment dated on or about the date hereof made by and between Mortgagor and Mortgagee with respect to the Development;

“Extended Use Period” means, with respect to a building on the Property, the period: (i) beginning on the first (1st) day in the Compliance Period in which such building is part of a qualified low-income housing project, and (ii) ending on the later of: (I) the date specified in the ELIHC, or (II) the date which is fifteen (15) years after the close of the Compliance Period;

“Fiscal Year” means the calendar year or any other period agreed to in writing by the parties hereto as the fiscal year for the Mortgagor;

“Gross Revenues” means, with respect to a particular period of time, all amounts received by Mortgagor during such period from rents and revenues or any other source in connection with (and arising out of) the operation of the Development on the Property;

“HUD” means the United States Department of Housing and Urban Development, or any federal successor thereto;

“Income Limitation” means, as reflected in the Apartment Mix, twenty-five percent (25%), fifty percent (50%), or sixty percent (60%) of area median gross income, adjusted for family size, within the meaning of the Code and the Regulations and, for this purpose, income is determined as defined under HUD regulations promulgated by HUD at 24 C.F.R. 5.609 {2014};

“Loan” means, collectively, the Construction Loan and the Permanent Loan.

“Loan Documents” means, collectively, the Commitment Letter, the Declaration, the Construction Loan Note, the Permanent Loan Note, the Mortgage, this Agreement, that certain Mortgagor Affidavit and Agreement, that certain Construction Loan and General Escrow Agreement, that certain Environmental Indemnification Agreement, and all other documents executed by Mortgagor in connection with the Loan;

“Mortgage” means that certain Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith which Mortgage secures all indebtedness and obligations under the Note and constitutes a first (1st) priority lien on the Property and the Development;

“Note” means, collectively, the Construction Loan Note and the Permanent Loan Note;

“Operating Expense(s)” means any expense(s) incurred by Mortgagor and accepted by Mortgagee, which are reasonable and necessary for the sound operation and maintenance of the Property and the Development, including but not limited to, real estate taxes, payments in lieu of taxes, insurance premiums, utilities, fuel, management fees, repairs and other maintenance costs, trash and snow removal expenses, and any other similar expense required by or contemplated under the terms of this Agreement, *provided, however*, Operating Expenses shall not include debt service payments due under the Loan or any subordinate financing;

“Permanent Loan” means the [PERMANENT LOAN AMOUNT DOLLARS] interest bearing obligation evidenced by the Permanent Loan Note;

“Permanent Loan Note” means that certain promissory note dated as of even date herewith made by Mortgagor to the order of Mortgagee in the original principal amount of up to [PERMANENT LOAN AMOUNT DOLLARS];

“Reserve for Replacements Escrow” has the meaning set forth in the Loan Documents;

“Residual Receipts Account” has the meaning set forth in the Loan Documents;

“Qualified Person(s)” means individuals and families who, at the time each such individual or family first occupies a residential unit in the Development have annual income that meets the applicable Income Limitation;

“Qualified Rent” means an annual gross rental not greater than thirty percent (30%) of the annual imputed Income Limitation applicable for such Qualified Unit for each Qualified Person, in accordance with the Act, the Code and the Regulations, which maximum rental limits applicable to Qualified Units shall be revised by a percentage equal to any percentage change in area median income pursuant to Section 42 of the Code, *provided, however*, Qualified Rent shall not include any payment under Section 8, or any comparable rental assistance program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include any utility allowance applicable pursuant to the Code, after taking into account such determinations under such Section 8;

“Qualified Unit” means a residential unit at the Development occupied, or available for occupancy, by a Qualified Person(s) at the Qualified Rent;

“Section 8” means section 8 of the United States Housing Act of 1937, as amended;

“State” means the State of Connecticut;

“Surplus Cash” means, as determined by Mortgagee in its sole discretion on an annual basis, Adjusted Cash Flow minus Additional Interest.

III. CONTINUOUS RENTAL AND LOW AND MODERATE INCOME RESTRICTIONS ON USE OF THE DEVELOPMENT.

Mortgagor hereby represents, covenants, warrants to Mortgagee, as follows:

1. The Development shall be located on the Property and shall consist of the facilities described in the Approved Plans and shall consist of a building or buildings or structure and facilities functionally related and subordinated thereto, owned by the same person(s) for tax purposes, all located on a single tract of land and financed under a common plan of finance, with: (a) each containing one or more similar residential units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and (b) all of the residential units of which shall be rented or available on a non-transient basis for rental to members of the general public, suitable for residential occupancy, and in compliance with all State and local health, safety and building codes.

2. Mortgagor shall proceed with due diligence to promptly complete construction and/or renovation of the Development in accordance with the Approved Plans, and shall make no change in the nature, size (including number of residential units) or location of the Development from that which was shown on the Approved Plans without the prior written consent of the Mortgagee.

3. Mortgagor shall, on a continuous basis, maintain all of the residential units in the Development either as rented (or available for rental) to members of the general public during the Compliance Period and the Extended Use Period.

4. Mortgagor hereby covenants and agrees to comply with the requirements: (a) for “*qualified residential rental projects*” financed with exempt facility bonds as provided in Section 142(d) of the Code, and (b) for obtaining low-income housing tax credits under Section 42 of the Code with respect to the Development during the Compliance Period and Mortgagor’s obligations under the ELIHC (entered into pursuant to Section 42(h)(6) of the Code) which are incorporated herein by reference.

5. There will be [_____] (___) market-rate residential units in accordance with the Apartment Mix which shall be rented only in accordance with the Mortgagee’s “*Market Rate Management Procedures*” and to individuals or families with no more than [_____] (_____) percent area median gross income and such units shall not be adjusted for family size.

6. During the term of the Mortgage, the Compliance Period and the Extended Use Period, [_____] (___) of the residential units in the Development shall be Qualified Units in accordance with the Apartment Mix and all calculations of income and area median gross income shall be determined in a manner consistent with determinations of lower income families under Section 8.

7. After initial occupancy by Qualified Persons, but upon again becoming vacant, a residential unit shall be treated as occupied by Qualified Person(s) until occupied, other than for a temporary period by another occupant, at which time the character of the residential unit shall be re-determined by the new occupant's income. In no event shall a temporary period exceed thirty (30) days. A residential unit occupied by an individual or family who, at the commencement of occupancy, was a Qualified Person shall be treated as occupied by a Qualified Person during such individual's or family's tenancy in such residential unit until such individual's or family's income exceeds one hundred forty percent (140%) of the Income Limitation at the time of the most recent Determination (as defined below). Once an individual's or family income exceeds one hundred forty percent (140%) of the Income Limitation, the unit occupied by such individual or family shall continue to be treated as occupied by a Qualified Person unless, after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income exceeds the Income Limitation. Notwithstanding the provisions of this paragraph the Development shall also comply at all times with the requirements of Section 42(g)(2)(D) of the Code.

8. As required by the Mortgagee, the Mortgagor shall make a determination on the basis of current income (the “Determination”) of whether the income of an individual or family residing in a unit of the Development exceeds the then applicable Income Limitation. As required by the Mortgagee, the Mortgagor shall certify compliance with the Low and Moderate Income Restriction (as defined below) to the Mortgagee and to the U.S. Secretary of the Treasury, if required (at such times and in such manner as the Secretary shall prescribe).

9. Mortgagor shall furnish to Mortgagee, on at least an annual basis or on some other basis as determined by Mortgagee to be required by the Act, the Code and the Regulations, such information as Mortgagee shall require, including any compliance forms required to be filed with the U.S. Secretary of the Treasury or the Mortgagee, including the “*Owner’s Certificate of Continuing Program Compliance*,” attached hereto as **Exhibit B**, and to maintain on file “*Tenant Income Certification (TC-100)*,” in the form attached hereto as **Exhibit C** (or such other form as may be accepted by the Mortgagee), in order to permit verification that the covenants set forth herein are being satisfied by Mortgagor and to take such action as Mortgagee shall deem necessary to comply with the covenants herein or to correct or cure any failure of Mortgagor to comply with the covenants herein. Mortgagor shall use tenant lease forms acceptable to the Mortgagee, or, if there are no written leases, written and signed certifications of tenants so as to be able to determine the qualifications of the tenant or take such other corrective action as is necessary to comply with the covenants herein or to correct or cure any failure of Mortgagor to comply with the covenants herein. Such leases or certifications shall contain clauses wherein each tenant certifies as to the accuracy of statements made in the Tenant Income Certification and agrees that family income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she shall comply with all requests for information with respect thereto from Mortgagor or Mortgagee, and that failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial and material obligation of his or her tenancy for which termination of the tenancy shall be a remedy.

10. Mortgagor understands and agrees that the Development shall be used only for multifamily residential rental housing (within the meaning of the Act, the Code and the Regulations), for the benefit of those members of the general public of low and moderate income upon certain terms and conditions and Mortgagor hereby covenants and represents to the Mortgagee as follows: (a) During the Compliance Period and the Extended Use Period, the Mortgagor shall set aside [_____] (___) of the Qualified Units for Qualified Persons at the Qualified Rent; (b) the Qualified Units shall remain subject to all of the low and moderate income restrictions herein, for a period of [_____] (___) years beyond the term of the Loan; (c) the covenants and representations of Mortgagor contained herein shall survive any sale, transfer, or other disposition of all or any portion of the Property or the Development by Mortgagor or the repayment of the Loan, and shall be binding upon the Mortgagor's successors and assigns, but may be waived by Mortgagee in its sole discretion upon the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, change in a Federal law or an action of a Federal agency which prevents the Mortgagee from enforcing the requirements hereof, or condemnation or similar event, *provided, however*, the covenants and representations of Mortgagor herein shall survive a foreclosure, transfer of title by deed in lieu of foreclosure or similar event if, at any time during the Compliance Period, Mortgagor or a related party (as defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for Federal tax purposes; (d) in the event that the Development shall at any time be converted to a common interest community, such conversion shall include in the declaration of common interest community an affirmative covenant running with the land, and such common interest community shall be subject to the terms and conditions of this Agreement, which covenant shall bind the common interest community association, the common interest community unit owner and their respective successors and assigns, to the restrictions contained in this Agreement and said covenant shall also require that no fewer than the number of units required, which units shall be designated and identified in the said declaration of common interest community either by unit number or other description, shall be sold, or held vacant for sale, only to individuals or families who are of low income, as determined by the Mortgagee or its successors at the time

of such sale and the covenant shall be binding upon the common interest community association, its successors and assigns to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by the Mortgagee, or its successors and assigns as their interests may appear; and said declaration of common interest community shall require that all units that are to be sold or available for sale to Qualified Persons, shall also be subject to the further restriction that no re-conveyance of any such units shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Mortgagee or its successors or its nominee that the prospective purchaser is a Qualified Person at the time of the proposed conveyance and the Mortgagee or its successors or nominee shall designate a party to issue such a certification of low income and shall notify the common interest community, from time to time, of the identity of such party and no unit in the Development may be conveyed pursuant to a time-sharing plan as defined in Chapter 734b of the Connecticut General Statutes; (e) in the event of a partial destruction or condemnation of the Development which is not substantial, as determined by Mortgagee in its sole discretion, and if such destruction or condemnation is not repaired or corrected to the satisfaction of the Mortgagee, then the remaining units in the Development shall be allocated, on the same basis described above, to Qualified Persons and if the Development is not rebuilt or corrected for any reason after substantial destruction or condemnation of the Development, as determined by Mortgagee, in its sole discretion, then the Mortgagee shall have the right to request, and Mortgagee may, so long as any applicable insurance proceeds have not been delivered to the Mortgagee, release and waive Mortgagee and the Property from the terms, restrictions and conditions contained herein and upon such destruction or condemnation, the Mortgagee, or its successor(s) or nominee, may execute appropriate documents for the Mortgagee, its successors or assigns to record on the land records for the city or town where the Development is located rescinding the restrictions contained herein, if Mortgagee elects to so release and waive Mortgagee and the Property from the terms, restrictions and conditions contained herein and in the event that Mortgagee delivers the said insurance proceeds to Mortgagee, and Mortgagee is required to repair or reconstruct the Development pursuant to the terms of the Loan, then the restrictions and covenants herein shall remain in full force and effect; (f) as required by Mortgagee, in every Fiscal Year during the Compliance Period and the Extended Use Period or until the Mortgagee has been released, whichever period is longer, Mortgagee shall deliver to Mortgagee, in a form accepted by Mortgagee, a certified schedule of units occupied by Qualified Persons and the Mortgagee shall have the right to observe the Property and the Development and review Mortgagee's records regarding tenants and tenant selection policy at any time, and to request and receive any information, documentation, or other confirmation that Mortgagee's tenant selection policy complies with the requirements of Mortgagee; and (g) to the extent necessary to comply with the Act, the Code and the Regulations, and Mortgagee's Procedures, including but not limited to the Qualified Allocation Plan and Application Process Procedures, Mortgagee shall have the right to take any and all actions which it deems appropriate, to rent any unleased or vacant dwelling unit in the Development (if the Development is used for rental units), including without limitation thereof the right to the appointment of a receiver to enter upon and take possession of the Property and the Development, to enter into tenant leases, to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct or to seek any remedy available or necessary for the enforcement of the covenants and restrictions herein and the receiver shall have the rights and powers permitted under the laws of the State and such other powers as the court making such appointment shall confer.

11. This Agreement shall continue in full force and effect throughout the longest of the applicable periods to enable the Mortgagee, its successors and assigns, to enforce compliance by Mortgagee with the covenants, terms and conditions therein and of this Agreement. The covenants herein

set forth shall be deemed to run with the land and shall bind the Mortgagor and its successors and assigns, notwithstanding that the Mortgage Loan may not continue in effect.

12. *Low-Income Housing Tax Credit Restrictive Covenant:* Mortgagor shall comply with Section 42 of the Code regarding the low-income housing tax credit, including but not limited to, the Compliance Period, Extended Use Period and the ELIHC, which is incorporated herein by reference.

13. The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination, observation and copying upon prior notice at any reasonable time by the Mortgagee or by its authorized representative.

14. Mortgagor shall maintain the Development in a decent, safe, and sanitary condition and in a good state of repair as determined by the Mortgagee in its sole discretion.

IV. DEVELOPMENT ADJUSTED CASH FLOW.

1. Mortgagor shall deposit any and all Gross Revenues in the Development Operations Account, including, without limitation, all segregated and recorded amounts, special funds required to be maintained by Mortgagor and any outstanding liability for tenant security deposits. Any disbursements from the Development Operations Account shall be made in the following priority order:

(a) *Loan Payments.* All sums due or currently required to be paid under the terms of the Note and the Loan Documents, followed by any subordinate financing, including, without limitation, regularly scheduled debt service payments, and all required escrow or reserve deposits or other Operating Expense payments;

(b) *Operating Expense Payments.* All remaining Operating Expenses other than those due or currently required to be paid under the terms of the Note or the Loan Documents (including, without limitation, those due and/or payable within thirty (30) days after the close of the Mortgagor's Fiscal Year, unless funds for payment are set aside or payment deferral has been accepted in writing by the Mortgagee);

(c) *Additional Interest Payments.* Solely from Adjusted Cash Flow on an annual basis, on or before April 1 of each year (commencing on April 1, 20[___]), all Additional Interest due to the Mortgagee under the Loan Documents;

(d) *Annual Distribution Payment.* Solely from Surplus Cash on an annual basis and upon Mortgagee's acceptance and approval of Mortgagor's annual audited financial statements and the written acceptance of an authorized officer of Mortgagee, an Annual Distribution; and

(e) *Annual Residual Receipts Deposit.* Solely from remaining Surplus Cash on an annual basis on or before April 1 of each year (commencing on April 1, 20[___]), and as determined by Mortgagee in its sole discretion following Mortgagee's acceptance and approval of Mortgagor's annual audited financial statements, annual "Residual Receipts" shall be deposited into the Residual

Receipts Account and held by Mortgagee in accordance with the Loan Documents, and Mortgagee, or its successor or assign, shall own and maintain sole ownership and control of all Residual Receipts at all times and Residual Receipts shall be disbursed solely upon the direction of Mortgagee, which shall have the power and authority to direct that all funds held in the Residual Receipts Account, or any part thereof, be used for such purpose, as it may determine.

2. Prior to any Annual Distribution, Mortgagee shall determine, in its sole discretion, that the Development and operation thereof meet the following criteria to its satisfaction: (a) *Management*: The Development shall be operated in a manner consistent with Mortgagee's standards as described in the management plan accepted by the Mortgagee; (b) *Financial Condition*: the Development shall be operated in a financial manner which allows the Mortgagor to pay all the obligations, fund all reserves as required and demonstrate an ability to be consistent in this manner throughout the Fiscal Year; (c) *Physical Condition*: The Development shall be maintained in good physical condition as demonstrated by the Mortgagee's physical observation and the Development shall not have any physical impediments, which shall require financing from sources other than the Reserve for Replacements Escrow; (d) *Low-Moderate Income*: No Distribution shall cause rents to be raised on any Qualified Unit to a level which would prohibit the rental of the unit to Qualified Persons at the Qualified Rent and rents shall be established to meet the objectives described in this Agreement; (e) *Market Conditions*: Distributions shall be a function of market conditions and market conditions shall be considered in establishing rental schedules; (f) Annual Distributions shall be non-cumulative and payable from Surplus Cash, if any, at the end of successive Fiscal Years subsequent to Mortgagee acceptance of audited financial statements for such Fiscal Years; (g) Annual Distributions shall not be made from proceeds of the Loan prior to the completion of work at the Development in accordance with the Construction Contract and the Approved Plans or when there is any Event of Default (as defined in the Mortgage); (h) no Annual Distribution of any funds arising out of the operation of the Development, to a party not entitled to receive such funds hereunder, shall be held in trust by said party separate and apart from any other funds; and (i) no Distribution shall be made until all outstanding notices or requirements for proper maintenance and operation of the Development have been complied with.

V. PROPERTY MANAGEMENT.

Mortgagor shall provide for the professional management of the Property and the Development in a manner acceptable to the Mortgagee, in its sole discretion, shall employ a property manager (the "Management Agent"), and shall develop a Management Plan acceptable to Mortgagee. Any management agreement with the Management Agent entered into by Mortgagor involving the Property and the Development shall be accepted in writing in advance by the Mortgagee and contain a provision that it is subject to termination, without penalty and with or without cause, upon written request by the Mortgagee. Any notice of termination shall be addressed to Mortgagor and shall incorporate by reference the terms of this Agreement. Upon receipt of such notice, Mortgagor shall terminate the said management agreement within a period of not more than thirty (30) days and shall make immediate alternative arrangements reasonably satisfactory to the Mortgagee for continuing proper management of the Development. If Mortgagor fails to so terminate and appoint a new Management Agent reasonably satisfactory to the Mortgagee within said thirty (30) days, then the Mortgagee shall designate a new Management Agent and Mortgagor shall execute the management agreement acceptable to the Mortgagee. If the Mortgagor self-manages the Property and the Development, then the Mortgagee may reasonably require Mortgagor to enter into a management agreement with an independent Management Agent at a rate and on terms and conditions accepted by the Mortgagee.

Mortgagor hereby constitutes and appoints the Mortgagee its true and lawful attorney-in-fact, coupled with an interest, with full power of substitution for such purpose. Mortgagor hereby empowers said attorney-in-fact to execute a management agreement with a Management Agent acceptable to the Mortgagee and to do any and every act which Mortgagor might do on its own behalf under such management agreement, as owner of the Development. This power of attorney may not be revoked during the term of this Agreement. The Development shall be operated in a manner consistent with Mortgagee standards as described in the management plan accepted by the Mortgagee. The Development shall be operated in a financial manner which allows the Development to pay all obligations, fund all reserves as required and demonstrate an ability to be consistent in this manner throughout the Fiscal Year. The Development shall be maintained in good physical condition as demonstrated by the Mortgagee's physical observation. The Development shall not have any physical impediments, which will require financing from sources other than the Reserve for Replacements Escrow. Rents shall be established to meet the objectives described in the Agreement.

VI. NEGATIVE COVENANTS.

1. Mortgagor shall not, without the prior written acceptance of Mortgagee: (a) sell, convey (including transition, conveyance or transfer to a limited liability company), assign, transfer, lease (except for apartment leases on the form lease accepted by the Mortgagee) or further encumber any interest in or any part of the Property, nor shall a voluntary sale, pledge or other transfer of any beneficial interest in Mortgagor be effected; (b) assign, pledge, transfer, dispose of or encumber any personal property of the Property or the Development, including rents, or pay out any funds, except for Operating Expenses and necessary repairs; (c) convey, assign, pledge, or transfer any right to receive the rents and/or profits from the Property or the Development; (d) remodel, add to, reconstruct, demolish or damage any part of the Development after the issuance of permanent certificates of occupancy, or subtract from any real or personal property of the Development; (e) engage, except for natural persons, in any other business or activity, including the operation of any other housing development, or incur any liability or obligation not connected with the Development; (f) require, as a condition of the occupancy or leasing of any unit in the Development, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of two (2) months' rent, as permitted by law, to guarantee the tenant's performance of the lease. Any funds collected as security deposits shall be maintained separate and apart from all other funds of the Development in a trust account with a federally insured depository within the State, accepted in writing by Mortgagee, the amount of which shall at all times equal or exceed the aggregate of all outstanding security deposit obligations of the Development and if interest is earned on said trust account, it shall be transferred, as earned, into the Development Operations Account, except as otherwise required by law; (g) permit the use of the dwelling accommodations of the Development for any purpose except as residential rental dwelling units; (h) incur any liability, direct or contingent, other than for current Operating Expenses, exclusive of the Mortgage Loan and any deferred developer fee (as may be set out in the Commitment Letter); (i) pay any compensation, including wages or salaries, or incur any obligations to Mortgagor's staff or any officers, directors, stockholders, trustees, partners, beneficiaries under a trust, or to any of their nominees; (j) enter into any contract or contracts for supervisory or managerial services; (k) invest or deposit any funds from the Development in any property (real, personal or mixed), except obligations of, or fully guaranteed or secured as to principal by, the United States of America, or any agency thereof, the State, or obligations thereof, or deposit such funds in a depository not acceptable to Mortgagee; (l) terminate, assign or transfer any right to manage the Development (except in accordance with the provisions of this Agreement); (m) make a loan of any funds from the Development to any person or entity; (n) incur any liability or obligation in connection

with the Development, contingent or otherwise, with the exception of current Operating Expenses and for the indebtedness evidenced by the Note, or other financing(s) accepted by Mortgagee; or incur any liability or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrances on the Development, or funds of the Development; (o) require tenants to pay any mandatory charges for additional services or facilities; or (p) pay for services, supplies or materials relating to the Property and the Development in amounts in excess of the amount(s) ordinarily paid for such services, supplies or materials in the area where the services are rendered or the supplies or materials are furnished.

VII. REPORTING REQUIREMENTS.

1. Unless another period for reporting is specified by the Mortgagee in writing, Mortgagor shall furnish the Mortgagee with occupancy reports and reports of income, expenses, accounts receivable and accounts payable on a quarterly basis. Mortgagor shall pay such penalty as may be imposed by the Mortgagee in the event of failure to comply with this requirement. Such reports shall be provided no later than the fifteenth (15th) day of each month. Mortgagor shall also provide such additional information as the Mortgagee may reasonably request from time to time relative to the ownership, operation and maintenance of the Property and the Development.

2. Within sixty (60) days following the close of each Fiscal Year, Mortgagor shall furnish Mortgagee with a complete annual financial report prepared and certified by a certified public accountant for the Development based upon an examination of the books and records of Mortgagor, containing a detailed, itemized statement of Gross Revenues, Operating Expenses, Surplus Cash, Adjusted Cash Flow, Annual Distributions, and all other income and expenditures, prepared and certified to be in accordance with the Procedures and standards accepted by the Mortgagee and in conformity with generally accepted accounting principles applied on a consistent basis, and further certified by Mortgagor or its duly authorized agent.

3. Annually, not later than sixty (60) days before the beginning of each Fiscal Year, Mortgagor shall submit to the Mortgagee an itemized budget of Gross Revenues, Operating Expenses, Surplus Cash Adjusted Cash Flow and Annual Distributions for the following Fiscal Year. Such budget shall be accompanied by supporting documentation requested by the Mortgagee. Upon acceptance by the Mortgagee, such budget shall be the Development's budget for the ensuing Fiscal Year.

4. All records, accounts, books, tenant lists, applicant waiting lists, documents, and contracts relating to the Development shall at all times be kept separate and identifiable from those of any other business of the Mortgagor which is unrelated to the Development and shall be maintained within the State, as required by the Mortgagee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Mortgagee.

VIII. TENANT & RENT REQUIREMENTS.

1. Mortgagor further covenants and agrees that: (a) with the prior written acceptance of the Mortgagee, Mortgagor shall establish and maintain for each dwelling unit at the Development a rental charge which shall satisfy the requirements of the Act, the Code, the Regulations, and this Agreement, and provide income to the Development sufficient for the payment of principal, interest, fees and charges to the

Mortgagee under the Mortgage and Note and the Loan Documents; (b) on forms accepted by Mortgagee, Mortgagor shall obtain a certification of income from each prospective tenant, prior to execution of a lease and admission to the Development as a tenant; (c) Mortgagor shall obtain written evidence substantiating the information given on the tenants' certifications of income in a manner prescribed by Mortgagee and shall maintain on file for Mortgagee's review a copy of such evidence. Mortgagor agrees that no person has been accepted or shall be accepted for occupancy of a Qualified Unit, nor shall any person be permitted to occupy any Qualified Unit in the Development or any portion thereof, without such person's application for occupancy having first been reviewed by or on behalf of Mortgagee, except that no such lease acceptance or submission shall be required with regard to leases of one dwelling unit within the Property for terms not in excess of one (1) year unless requested in writing by Mortgagee subject to the requirements of Section 42 of the Code; (d) Mortgagor shall require all tenants to execute a lease in the form prescribed or accepted by the Mortgagee; (i) In the case of Qualified Units, Mortgagor shall require the execution of a lease which shall provide for an annual certification of income by the tenant and for termination of the lease and eviction of an individual or family for violation of the eligibility requirements, as constituting material non-compliance under the lease. Said lease form shall also prohibit the assignment of the lease or subleasing of the unit to persons other than those accepted by Mortgagor as meeting the eligibility requirements; (ii) No unit in the Development shall be rented for a term of less than one (1) year nor more than two (2) years without the Mortgagee's prior acceptance; (e) no changes shall be made in the rental charges accepted by the Mortgagee, except as may be adjusted in the annual budget accepted in writing by Mortgagee; (f) Mortgagor shall not permit a tenant to rent more than one (1) residential dwelling unit at any given time without the prior written acceptance of Mortgagee; (g) Mortgagor shall obtain prior written acceptance of Mortgagee for: (i) all documents used in renting the dwelling units and any commercial facilities including but not limited to lease forms and applications; (ii) all advertising and other public information regarding the Development; and (iii) all procedures and standards to be utilized regarding acceptance or rejection of prospective tenants; (h) Mortgagor shall grant to the Mortgagee the right to execute leases on behalf of the Mortgagor from time to time for all [_____] (____) Qualified Units in the Development with Qualified Persons, upon the sole determination by the Mortgagee that the exercise of this right is necessary to preserve compliance with the Code regarding low income housing tax credits allocated to the Development. In that event, Mortgagee shall be deemed an agent for the Mortgagor and shall deposit Gross Revenues into the Development Operations Account; (i) all rents received by the Mortgagor in excess of the maximum rents permitted or in excess of Qualified Rents shall be paid over by Mortgagor to the Mortgagee; and (j) Mortgagor shall comply with the Mortgagee's insurance requirements as set out in the Mortgage.

IX. NONDISCRIMINATION.

Mortgagor shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, Title VI of the Civil Rights Act of 1964, and Executive Order 11063, to the end that in accordance with the Act, the Code and the Regulations, and said Executive Order, no person in the United States shall, on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sexual orientation, or sex, be refused or denied housing, or otherwise subjected to discrimination. In addition, Mortgagor shall comply with all State and local laws prohibiting discrimination in housing, including without limitation, laws prohibiting discrimination on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sexual orientation, sex, or any other classification(s) protected by state or local law. Without limiting the generality of the foregoing, Mortgagor shall not restrict occupancy or rental of dwelling units in the Development by reason of the fact that a prospective tenant's household includes children (except for

senior citizen housing as may be allowed under applicable law). Failure or refusal to comply with any such provisions, within any cure period that may be provided by law, shall constitute basis for Mortgagee to take any corrective action it may deem necessary including, but not limited to, declaring an Event of Default under the Mortgage, the rejection of future applications for mortgage loans and the refusal to enter into future contracts of any kind with which Mortgagor or its shareholders, members, partners, trustees or beneficiaries are in any way identified. Mortgagor shall not discriminate against tenants or applicants who are recipients of Federal rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or any successor subsidy program.

X. MISCELLANEOUS.

1. Mortgagor shall not file any petition in bankruptcy or for reorganization or re-composition, or make any assignment for the benefit of creditors or to a trustee for creditors or permit an adjudication in bankruptcy, the taking possession of the Property or any part thereof by a receiver, or the seizure and sale of the Property or any part thereof under judicial process or pursuant to any power of sale. Failure to have such adverse action set aside within sixty (60) days shall constitute an Event of Default under this Agreement and under the Mortgage.

2. Mortgagor agrees promptly to notify Mortgagee in writing of any suits by or against Mortgagor, the Mortgagee or the Development. No litigation seeking the recovery of a sum in excess of \$25,000.00 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$25,000.00 or suit for specific performance be settled or compromised by Mortgagor unless prior written consent thereto has been obtained from Mortgagee. Such consent may be subject to such terms and conditions as Mortgagee may, in its sole discretion, prescribe.

3. In order to comply with the Act, the Code and the Regulations and applicable statutes and regulations, Mortgagor agrees that, throughout the period as set forth in Paragraph 3, all of the Qualified Units in the Development shall be rented to Qualified Persons at a rental not in excess of Qualified Rent. Mortgagor shall comply with all State and federal laws and requirements, and the Mortgagee's policies and Procedures. In addition and without limitation thereto, Mortgagor shall agree to the Apartment Mix and shall provide a marketing plan acceptable to the Mortgagee. Prior to completion of the construction/renovation work at the Development, the Mortgagor shall advertise the availability of apartment units in manners reasonably calculated to reach Qualified Persons. All advertisements shall be accepted in writing by the Mortgagee prior to placement with any of the media. Mortgagor shall verify the income of each applicant for a Qualified Unit. Mortgagor agrees that on and after the date of notification by the Mortgagee to Mortgagor with respect to the availability of subsidy funds, it shall not reject an applicant for a rental who, except for lack of adequate income, is acceptable as a tenant. Mortgagor shall submit the application of such prospective tenant to the Mortgagee for consideration by the Mortgagee of the granting of a subsidy to such a prospective tenant during the term of the lease. Mortgagee may submit to Mortgagor the names of applicants for occupancy as tenants, and Mortgagor shall review the application(s) and interview such prospective tenants. Following initial occupancy, Qualified Units vacated by Qualified Persons shall be rented only to other Qualified Persons in order to maintain the Apartment Mix. Mortgagor may modify the allocation and distribution of Qualified Units so reserved only with the prior written permission of Mortgagee. Any such modification shall be carried out so that at all times, the Qualified Units shall be occupied by (or previously occupied by and available for rental solely to) Qualified Persons. Mortgagor represents and warrants that at

all times its acts in connection with the Development have complied with and shall continue to comply with all applicable provisions of federal, state and local laws, and all agreements with the Mortgagee and any other public entities concerning the Development as amended from time-to-time. The Mortgagor also represents to the Mortgagee that professional advice is available to the Mortgagor for the purpose of enabling the Mortgagor to be aware of, and to comply with, said laws, policies, procedures and agreements. The Mortgagor shall indemnify Mortgagee against any loss incurred by the Mortgagee as a result of the Mortgagor's failure to comply therewith. Mortgagor acknowledges the existence of federal, state and local laws regarding handicapped accessibility and the relocation of persons displaced by the Development. Mortgagor agrees that Mortgagor, and not Mortgagee, is responsible for complying with such laws, as they may apply to the Development.

4. Mortgagor warrants that it has not, and shall not, execute other agreements with provisions contradictory, or in opposition to the provisions hereof, and that in any event the requirements of this Agreement are paramount and controlling and shall supersede any other requirements in conflict therewith except as provided below. Notwithstanding the foregoing, Mortgagor acknowledges that a purpose of this Agreement is to compel and document compliance with provisions of the Act, the Code and the Regulations applicable to Qualified Residential Rental Projects, and to the extent that any provision hereof is now or shall become in conflict with any such provision of the Act, the Code and the Regulations, such provision of the Act, the Code and the Regulations shall prevail. Mortgagor shall comply with all provisions of the Code and Regulations applicable to qualified residential rental projects, whether or not such provisions are specifically set forth herein. Mortgagor further acknowledges that the representations and covenants set forth herein are based upon the Code and Regulations in their present form, and that both may be amended and the interpretations of their respective provisions may be changed or clarified in a manner inconsistent with the provisions hereof. Mortgagor shall use its best efforts to take such actions, or to refrain from taking such actions, as are authorized by law and as may be necessary for the Development to continue to constitute a qualified residential rental project as may be required by the Code or Regulations as either may be amended or as the interpretation of their respective provisions may be changed or clarified.

5. No amendments shall be made to the Mortgagor's partnership agreement and such partnership agreement shall not be terminated without the Mortgagee's prior written acceptance. In the event of the dissolution or other change in the partnership, Mortgagor's business shall be continued by the partners individually until a successor structure is formed and accepted by the Mortgagee. No general partner shall voluntarily withdraw from the Mortgagor's partnership without the Mortgagee's prior written acceptance.

6. Mortgagor shall remain personally liable only as set forth in the Mortgage.

7. Upon violation of any of the provisions of this Agreement by Mortgagor, the Mortgagee may give written notice thereof to Mortgagor by registered or certified mail addressed to the address stated in this Agreement, or such other address(es) as may subsequently be supplied by appropriate written notice to the Mortgagee. If such violation is not corrected to the satisfaction of the Mortgagee within thirty (30) days after the date such notice is mailed or within such further time as the Mortgagee in its sole discretion may permit, the Mortgagee without further notice, may declare that an Event of Default has occurred. Upon such default, the Mortgagee may resort to one, all or any combination of the following courses of action: (a) declare the whole of the indebtedness under the Mortgagee Note immediately due and payable and proceed with the foreclosure of the Mortgage; (b) collect or cause to be collected all rents and charges in connection

with the operation of the Property and the Development and use such collections or cause such collections to be used to pay such Mortgagor's obligations under this Agreement and under the Mortgage and the necessary expenses of preserving and operating the Development; (c) take possession of the Property and the Development, bring any action necessary to enforce any rights of Mortgagor growing out of the operation of the Property and the Development, and operate the Property and the Development in accordance with the terms of this Agreement and in compliance with the requirements of the Mortgage; (d) apply to any court for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Property and the Development in accordance with the terms of this Agreement, or for such other relief as may be appropriate, since the injury to the Mortgagee arising from a default under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain; and (e) seek any other remedy permitted under the Loan Documents. Any action(s) taken by the Mortgagee shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Mortgagee may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Mortgagee permitted by law, equity or contract or as set forth herein or in the Loan Documents.

8. Mortgagor shall do, execute, acknowledge and deliver, at its sole cost and expense, such further acts, instruments or documentation as the Mortgagee may reasonably require from time to time to better assure, transfer and confirm unto the Mortgagee the rights now or hereafter intended to be granted to the Mortgagee under this Agreement.

9. The parties agree that this Agreement shall continue in full force and effect throughout the applicable period in Paragraph 3 hereof to the extent necessary to comply with the Act, the Code and the Regulations and to enable the Mortgagee, its successors and its assigns to enforce compliance by Mortgagor with the covenants, terms and conditions therein and of this Agreement. The covenants herein set forth shall be deemed to run with the Property and the same shall bind the Mortgagor and its successors and assigns, notwithstanding that the Loan may not continue in effect.

10. Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the addresses on page 1 hereof, in writing, and shall be deemed to have been duly given (a) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (b) when delivered, if delivered personally, (c) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (d) when sent, if sent by overnight mail or overnight courier, in each case with a copy (which shall not constitute notice) to the Mortgagee's General Counsel at the above address. Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

11. This Agreement shall be governed by and construed in accordance with the laws of the State and federal law, where applicable. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. This Agreement cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless in writing and signed by the party against which enforcement is sought. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same Agreement. False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.

12. Mortgagor hereby agrees that Mortgagor (a) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s) (i) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970 and (ii) was not abated within the time fixed by the citations and (iii) such citation has not been set aside, and (b) has not received one or more criminal convictions related to the injury or death of any employee in such three year period. Mortgagor agrees to comply with the Civil Rights Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, incorporated herein by reference.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered
in the Presence of:

[MORTGAGOR]
By: [_____]
Its [_____]

Name:

By: _____
Name:
Title:
Duly Authorized

Name:

STATE OF CONNECTICUT)
) ss. Rocky Hill , 201__
COUNTY OF HARTFORD)

Personally appeared, _____[Name]_____, ___[Title]_____ of [_____], a [_____] and the [_____] of [MORTGAGOR], a [STATE OF FORMATION] [LEGAL ENTITY TYPE], as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be [his/her] free act and deed as ___[Title]_____ of [_____], and the free act and deed of [MORTGAGOR], and that said instrument was signed on behalf of and with the authority of said [LEGAL ENTITY TYPE], before me.

Commissioner of the Superior Court
Notary Public

Exhibit A
[Property Description]

Exhibit B
[Owner's Certificate of Continuing Program Compliance]

Exhibit C
[Tenant Income Certification]

CONSTRUCTION LOAN AND GENERAL ESCROW AGREEMENT

THIS CONSTRUCTION LOAN AND GENERAL ESCROW AGREEMENT (this “Agreement”) is made and effective as of the ____ day of _____, 20__ by and between the CONNECTICUT HOUSING FINANCE AUTHORITY, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the “Mortgagee”) and [MORTGAGOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION], with an office and principal place of business at [MORTGAGOR’S ADDRESS] (the “Mortgagor”).

WITNESSETH:

WHEREAS, Mortgagor has executed and delivered to the Mortgagee that certain Construction Loan Promissory Note (the “Construction Loan Note”), Permanent Loan Promissory Note (the “Permanent Loan Note”; the Construction Loan Note and the Permanent Loan Note, collectively, the “Note”), Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing (the “Mortgage”), that certain Declaration and Agreement of Restrictive Covenants (the “Declaration”), Covenant of Compliance and Regulatory Agreement (the “Regulatory Agreement”), Mortgagor Affidavit and Agreement (the “Affidavit”), Environmental Indemnification Agreement (the “Environmental Indemnification Agreement”) and certain other loan documents (collectively, the “Loan Documents”), evidencing a first mortgage loan in the original principal amount of up to [CONSTRUCTION LOAN AMOUNT WORDS] [CONSTRUCTION LOAN AMOUNT DOLLARS] (the “Construction Loan”) and up to [PERMANENT LOAN AMOUNT WORDS] [PERMANENT LOAN AMOUNT DOLLARS] (the “Permanent Loan”; the Construction Loan and the Permanent Loan, collectively, the “Loan”), which Mortgage encumbers, inter alia, a certain multifamily rental housing development for persons of low and moderate income known as [DEVELOPMENT NAME] located in [CITY/TOWN], Connecticut, and identified as CHFA Loan No. [CHFA LOAN NUMBER] (the “Development”);

WHEREAS, the Loan is being made to aid Mortgagor in the construction, renovation and/or rehabilitation of the Development in accordance with a certain construction contract dated as of [_____, 20__ (the “Construction Contract”) by and between [GENERAL CONTRACTOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [_____] (the “Contractor”) and Mortgagor and in accordance with certain plans, drawings and specifications (collectively, the “Plans”) prepared by [ARCHITECT], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [_____] (the “Architect”) and provided to, and accepted by, Mortgagee on the date hereof;

WHEREAS, the Mortgagee also requires Mortgagor to fund certain escrow accounts for the Development as a condition to the Mortgagee making the Loan;

WHEREAS, Mortgagor and the Mortgagee wish to further agree upon the purpose, holding and disbursement of Loan advances and Escrow Funds (as defined herein).

NOW THEREFORE, in consideration of the terms, conditions, and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

I. CONSTRUCTION LOAN AGREEMENT.

(a) **Construction.** Mortgagor shall: (i) construct, renovate and/or rehabilitate the Development (the "**Work**") in a good and workmanlike manner and strictly in accordance with the Plans to finished and usable condition with unconditional, final and complete certificates of occupancy and all other required licenses, permits and public approvals; (ii) commence the Work immediately; (iii) pursue the Work diligently and continuously to completion in accordance with the Plans; (iv) after commencement of the Work, not permit cessation of the Work for a period in excess, in the aggregate, of five (5) business days without the prior written consent of Mortgagee; provided, that notwithstanding the foregoing, such five (5) business day period shall be extended for any delays which are beyond the control of Mortgagor, including, but not limited to, delays due to strikes, acts of God, inability to obtain labor or materials, inability to secure governmental approvals or permits, governmental restrictions, civil commotion, fire or similar causes; (v) use its best efforts diligently to pursue completion of the Development in accordance with the Loan Documents; (vi) complete the Development entirely on the Land (as defined in the Mortgage) and so as not to unlawfully encroach upon any easement, right-of-way or land of others, and so as to not violate any set-back lines, applicable public or private use restrictions, other restrictions or regulations, or any requirement of any governmental authority having jurisdiction with respect thereto; (vii) construct, renovate, rehabilitate and operate the Development in accordance with all applicable laws, ordinances, restrictions and requirements of any governmental authority having jurisdiction with respect thereto and in compliance with the requirements of all Leases; and (viii) complete all environmental work and remediation with respect to the Development as set forth in the Environmental Reports (as defined in the Environmental Indemnification Agreement). Mortgagor shall not deviate from the Plans, or issue any change order(s) with respect to the Plans, without the prior written consent of Mortgagee. If Mortgagee, or the Architect shall give Mortgagor written notification of a structural defect in the Development or departure from the Plans, Mortgagor shall, within thirty (30) days of receipt of such notice, take all necessary steps to cure such structural defect or departure from the Plans, or if such steps cannot be completed within such time, Mortgagor shall commence such steps within such thirty (30) day period and continue diligently to complete them. All equipment, material and articles furnished to the Development shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically accepted by Mortgagee. Mortgagor shall own all materials used in the Development free of liens, installment sale obligations, or other encumbrances except as expressly accepted by Mortgagee. All real and personal property constituting collateral for the Loan shall comply with all applicable statutes and regulations. Mortgagor shall erect a sign in a prominent place on the Development, the size, content and location of which shall be subject to prior reasonable approval by Mortgagee.

(b) **Construction/Renovation/Rehabilitation Contracts.** Mortgagor shall perform faithfully all of its obligations under the Construction Contract and shall not enter into any additional contracts, change orders, or any amendments thereof without first obtaining the written acceptance of Mortgagee. In no event shall Mortgagee have any obligation to respond to a request for any change(s) which requires the

prior consent of Mortgagor's limited partner(s) or any guarantor until such consent(s) has(have) been obtained. Upon request of Mortgagee, Mortgagor shall assign to Mortgagee, in such form as Mortgagee may require and with the consent of the contractor thereunder, any or all of such additional contracts; *provided, however*, such assignment shall not itself be deemed to impose upon Mortgagee any of the obligations or duties of Mortgagor thereunder, and Mortgagor shall comply with and observe its obligations thereunder promptly.

(c) Construction and Lien Waivers. Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien (other than any lien for taxes not yet due) to be created upon the Development and shall furnish to Mortgagee as and when Mortgagee requests, which may include prior to any advance of undisbursed Loan proceeds, waivers or subordinations of liens and claims on the Development executed by all mechanics and materialmen and others who may have any rights to file liens against the Development; if such a lien is recorded, Mortgagor shall promptly cause such lien to be subordinated or removed, *provided, however*, that Mortgagor shall be entitled to bond any such lien with a surety company or by a bond satisfactory to Mortgagee so long as Mortgagor contests in good faith such lien or the validity, applicability or amount thereof. At Mortgagor's expense, Mortgagor shall furnish inspection reports to Mortgagee prepared by Mortgagor's construction/renovation/rehabilitation observer, or, at the request of Mortgagee, an independent construction/renovation/rehabilitation observer satisfactory to Mortgagee.

(d) Trust Fund. Mortgagor will receive all advances under the Loan as a trust fund to be applied by Mortgagor solely for the purpose of paying the cost of developing the Development in accordance with the Plans and the Loan Documents. Should the proceeds of the Loan made by Mortgagee to Mortgagor, or any part thereof, or any amount paid out or advanced by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Development, or any part thereof, then Mortgagee shall be subrogated to any additional security held by the holder of such lien or encumbrance.

(e) Conditions Precedent to Advances. Advances shall be made at Mortgagee's sole discretion and determination and only upon full performance of and compliance with provisions and conditions contained herein, in the procedures (the "Procedures") promulgated from time to time by Mortgagee under the Connecticut Housing Finance Authority Act (Connecticut General Statutes Chapter 134) (the "Act"), and in the Loan Documents, which provisions and conditions shall be conditions precedent to Mortgagee's obligation to advance the remainder of said sums to be advanced or any part thereof. Mortgagee shall not be required to advance any part of the remainder of the Loan if: (i) the principal and accrued interest owing on the Loan have become due and payable due to the maturity (by acceleration or otherwise) of the Note, (ii) an Event of Default (as defined in the Mortgage) has occurred and is continuing, or (iii) there exists a default in performance or a failure of condition under this Agreement or any of the other Loan Documents which, with the passage of time without cure or the giving of notice, or both, would constitute an Event of Default.

(f) Loan In Balance; Retainage. The Loan shall at all times remain "in balance". The Loan shall be deemed to be in balance only when the undistributed proceeds of the Loan equal or exceed the amount necessary (based on Mortgagee's estimate of the cost of construction, renovation and/or rehabilitation of the Development) to pay for all work completed and all materials delivered, for which payment has not been made, and the cost of completing construction, renovation and/or rehabilitation of

the Development in accordance with the Construction Contract. The undisbursed Loan proceeds shall include provision for reserves, fees, expenses and other deposits required by Mortgagee, without limitation.

(g) Applications for Advances. Mortgagor shall make written applications to Mortgagee for advances of proceeds of the Loan. Applications for advances shall be for amounts equal to: (i) the total value of classes of the work acceptably completed; *plus* (ii) the value of materials and equipment not yet incorporated in the work, but delivered to and suitably stored at the Development; *less* (iii) five percent (5%) holdback of Construction Contract amounts, or such lesser percent holdback that Mortgagee may determine to be appropriate in its sole discretion (until work has been inspected and found by Mortgagee to be more than ninety-five percent (95%) completed; thereafter, such retainage or any part thereof may be either advanced at the discretion of Mortgagee or retained until Mortgagee shall determine Mortgagor has complied with all of the terms and conditions of Connecticut General Statutes Sections 8-253(b) and 8-253a), *less* (iv) all prior advances. The “values” of both (i) and (ii) above shall be computed in accordance with the amounts assigned to classes of the work in the “Contractor’s and/or Mortgagor’s Project Cost Summary”, accepted by Mortgagee. Each completed application for advances shall be delivered to Mortgagee at least five (5) business days before the date the advance is desired, and Mortgagor shall be entitled only to such amount as may be accepted by Mortgagee. Unless otherwise determined by Mortgagee, retainage shall be released only to Mortgagor and as provided under the Act, as amended from time to time, this Agreement, and the Construction Contract. Upon determination by Mortgagee in writing that the Development has been substantially (more than 95%) completed, and upon receipt of both a certificate of substantial completion issued by the supervising architect and cost certification satisfactory to Mortgagee, retainage may be released or reduced solely at the discretion of Mortgagee in accordance with C.G.S. Section 8-253(c), subject to retention of an amount deemed sufficient by Mortgagee to complete the Development.

(h) Making of Advances. Mortgagee, at its option, with or without an advance request from Mortgagor, may make advances of Loan proceeds directly to (i) Mortgagor or jointly to Mortgagor and the general contractor or other contractor(s) supplying labor or materials to the Development, (ii) the general contractor or other contractor(s), or to the issuer of any payment and performance bonds for the Development, or (iii) third-party professionals to pay fees and expenses for services of such third-party professionals retained by Mortgagee for the benefit of Mortgagee in connection with construction, renovation and/or rehabilitation of the Development including, without limitation, field observation, appraisal and environmental consultation services, or (iv) Mortgagee in satisfaction of outstanding interest due and payable on the Loan balance, and the execution hereof by Mortgagor shall, and hereby does, constitute an irrevocable direction and authorization to make advances in accordance with this Section, and Mortgagor’s consent to and ratification of any such advances of Loan proceeds. All such advances of Loan proceeds made as aforesaid shall satisfy the obligations of Mortgagee hereunder and under the Note with respect to the advances made, and such advance(s) shall be secured by the Mortgage and the other Loan Documents as fully as if made to Mortgagor, regardless of the disposition thereof by the general contractor or other contractor(s). In no event shall Mortgagee have any liability to Mortgagor for any advance(s) of Loan proceeds made jointly to Mortgagor and the general contractor or other contractor(s) or made directly to the general contractor or other contractor(s) or to any third-party professionals retained by Mortgagee for the benefit of Mortgagee in connection with construction, renovation and/or rehabilitation of the Development or to Mortgagee for interest due and payable. Interest on each advance of Loan proceeds shall accrue from the date of disbursement thereof by

Mortgagee. If an application for an advance follows the completion of work on any building(s) or improvement(s), such application shall be accompanied by the final, unconditional certificate(s) of occupancy therefor and Mortgagee's acceptance of completion of said building or improvement shall be a condition precedent to such advance. No building or any unit contained therein shall be occupied by any tenant prior to the receipt of permission to occupy from Mortgagee. If at any time Mortgagee determines that the Loan proceeds remaining to be advanced may not be sufficient to complete the Development in accordance with the Plans, or to pay any other required development costs, then Mortgagor shall obtain and disburse funds other than Loan proceeds in payment of such costs in the amount of such shortage before Mortgagee shall have any further obligation to advance any of the Loan proceeds that remain for disbursement. NO LOAN PROCEEDS WILL BE DISBURSED UNTIL AFTER THE EXPIRATION OF ALL APPEAL PERIODS RELATING TO THE DEVELOPMENT.

(i) Making of Final Advance. Upon completion of the construction, renovation and/or rehabilitation in accordance with the Plans, including all landscape requirements and any off-site utilities and streets, Mortgagor shall furnish to Mortgagee satisfactory evidence that (i) all work requiring inspection by municipal or other governmental authorities has been duly inspected and approved by such authorities and by the rating or inspection organization, bureau, association or office having jurisdiction, and (ii) all requisite certificates of occupancy and other approvals have been issued on a complete and permanent basis. Except as otherwise provided herein or in the other Loan Documents, any remaining Loan proceeds after such completion and the furnishing of such evidence shall be advanced to Mortgagor after: (1) Mortgagee authorizes the release of the holdback in accordance with subsection (g) above, (2) Mortgagee has received and accepted (A) a certificate of substantial completion issued by the Architect, and (B) cost certification satisfactory to Mortgagee, (3) any period which mechanics and materialmen may have for filing liens shall have expired, (4) any funds required for the completion of the work (over and above the Loan proceeds) which have been deposited with Mortgagee shall have been advanced by Mortgagee to Mortgagor, and (5) all requirements under the other Loan Documents for the disbursement of the remaining proceeds have been satisfied.

II. PERMANENT LOAN PROCEEDS ESCROW.

Any Permanent Loan proceeds which are advanced for Mortgagor's benefit into a Permanent Loan Proceeds Escrow on the final day of the Interest-Only Period (as such term is defined in the Permanent Loan Note) pursuant to the terms of the Permanent Loan Note shall be held in escrow by Mortgagee in accordance with the terms and conditions of this Agreement (the "Permanent Loan Proceeds Escrow Funds") and shall be advanced by Mortgagee in accordance with the Procedures, Mortgagee's usual and customary procedures for Loan advances as set forth in Section I of this Agreement above, or as otherwise determined by Mortgagee in its sole discretion.

III. CAPITAL CONTRIBUTIONS ESCROW.

(a) [] is an investor limited partner/member of Mortgagor (the "Investor"), and has agreed to make certain capital contributions (collectively, the "Capital Contributions") in installments to Mortgagor pursuant to Mortgagor's [] dated as of [] (the "Partnership/LLC Agreement"). A schedule of such Capital Contributions is contained in the

Partnership/LLC Agreement and attached hereto as **Exhibit A** and made a part hereof, as the same may be amended from time to time. Mortgagor has assigned the Capital Contributions to the Mortgagee as further security for the Loan. Mortgagor has agreed that the Capital Contributions shall be deposited directly by the Investor with the Mortgagee to be held in escrow pursuant to this Agreement and as acknowledged in the Partnership/LLC Agreement.

(b) As of the date hereof, the Mortgagee acknowledges receipt of a portion of the Capital Contributions in the amount of [_____ AND ___/100THS DOLLARS (\$_____)]. Investor shall deposit additional Capital Contributions with the Mortgagee as set out in the Partnership/LLC Agreement, as the same may be amended. If the full payment required under the Partnership/LLC Agreement is not received by the Mortgagee when due, the Mortgagee shall have the right to retain such partial payment received, with the remainder thereafter due and owing with the next scheduled payment under the Partnership/LLC Agreement, if not sooner received. All capital contributions received by Mortgagee are referred to herein as “Capital Contribution Escrow Funds”.

(c) Capital Contribution Escrow Funds shall be disbursed at the sole discretion of the Mortgagee and in accordance with the Loan Documents and the “Sources and Uses of Funds Schedule” approved by the Mortgagee for the Development which is attached hereto as **Exhibit B** and made a part hereof.

IV. WORKING CAPITAL ESCROW.

(a) As of the date hereof, Mortgagor has deposited with the Mortgagee, and the Mortgagee acknowledges receipt of, the sum of [_____ AND ___/100THS DOLLARS (\$_____)] (the “Working Capital Escrow Funds”).

(b) The Working Capital Escrow Funds may be used or applied as follows:

- (i) equipment purchases and rent-up of the entire Development;
- (ii) mortgage reduction, if required;
- (iii) correction of a latent construction defect discovered or developed subsequent to the normal latent defect period for discovery;
- (iv) replacement of any building component or appliance in the event that the Reserve Fund Escrow Funds are insufficient;
- (v) replacement or correction of any loss to the Development not otherwise covered by insurance;
- (vi) capital improvements as deemed necessary by the Mortgagee;
- (vii) assisting or improving marketing of the dwelling units within the Development;
- (viii) providing additional amenities to the Development;
- (ix) completing the Development;
- (x) benefiting the Development;
- (xi) paying principal, interest and other charges on the Note, the Mortgage and the other Loan Documents;
- (xii) paying taxes;
- (xiii) paying assessments;

- (xiv) paying property insurance premiums and other operating expenses;
- (xv) paying liens and legal expenses;
- (xvi) making deposits into the Operating Deficit Reserve Escrow described below; and
- (xvii) for any other reason the Mortgagee deems appropriate to cure a problem with the Development.

(c) Working Capital Escrow Funds shall be held in escrow and shall be disbursed at the sole discretion of the Mortgagee.

(d) ***[CONFIRM WITH DEAL TERMS:*** With the prior written approval of the Mortgagee, one-third of such Working Capital Escrow Funds (less the portion thereof previously used) may be returned to Mortgagor one year after Final Closing (as defined in the Loan Documents); one-third (less the portion thereof previously used) may be returned to Mortgagor two years after Final Closing; and the balance may be returned to Mortgagor three years after the Final Closing.]

[LETTER OF CREDIT: (a) *As of the date hereof, Mortgagor has deposited with the Mortgagee, and the Mortgagee has acknowledged receipt of, a letter of credit (#_____, dated _____, issued by _____) in the amount of [_____ AND ___/100THS DOLLARS] (\$_____) (the “Letter of Credit”), a copy of which is attached hereto as Exhibit C and made a part hereof.*

(b) *Any proceeds of the Letter of Credit shall be deemed “Working Capital Escrow Funds,” and may be used or applied by the Mortgagee as follows:*

- (i) *equipment purchases and rent-up of the entire Development;*
- (ii) *mortgage reduction, if required;*
- (iii) *correction of a latent construction defect discovered or developed subsequent to the normal latent defect period for discovery;*
- (iv) *replacement of any building component or appliance in the event that the Reserve Fund Escrow Funds are insufficient;*
- (v) *replacement or correction of any loss to the Development not otherwise covered by insurance;*
- (vi) *capital improvements as deemed necessary by the Mortgagee;*
- (vii) *assisting or improving marketing of the dwelling units within the Development;*
- (viii) *providing additional amenities to the Development;*
- (ix) *completing the Development;*
- (x) *benefiting the Development;*
- (xi) *paying principal, interest and other charges on the Note, the Mortgage and the other Loan Documents;*
- (xii) *paying taxes;*
- (xiii) *paying assessments;*
- (xiv) *paying property insurance premiums and other operating expenses;*
- (xv) *paying liens and legal expenses;*
- (xvi) *making deposits into the Operating Deficit Reserve Escrow described below; and*
- (xvii) *for any other reason the Mortgagee deems appropriate to cure a problem with the Development.*

(c) *The Letter of Credit shall not be used if the net income of the Development is sufficient to cover such costs and expenses.*

(d) *Working Capital Escrow Funds shall be held in escrow and shall be disbursed at the sole discretion of the Mortgagee.*

[(e) CONFIRM WITH DEAL TERMS: With the prior written approval of the Mortgagee, the original amount of the Letter of Credit may be reduced by one-third (1/3) (less the portion thereof previously used) one (1) year after Final Closing (as defined in the Loan Documents); the original amount of the Letter of Credit may be reduced by one-third (1/3) (less the portion thereof previously used) two (2) years after Final Closing; and reduced by a final one-third (1/3) three (3) years after Final Closing, at which time the Letter of Credit may be returned to Mortgagor.]

V. OPERATING DEFICIT RESERVE ESCROW.

As of the date hereof, Mortgagor has deposited with the Mortgagee, and the Mortgagee has acknowledged receipt of, the sum of [_____ AND ___/100THS DOLLARS (\$_____) (the “Operating Reserve Escrow Funds”). Additional deposits may be made to the Operating Reserve Escrow Funds from the Working Capital Escrow described above, or as otherwise required by the Mortgagee. The Operating Reserve Escrow Funds shall be held in escrow and shall be used solely to benefit the Development. At the sole discretion of the Mortgagee, Operating Reserve Escrow Funds may be used to meet deficiencies in budget line items or for any other purpose deemed appropriate by the Mortgagee, in its sole discretion. The Operating Reserve Escrow Funds shall not be used if the net income of the Development is sufficient to cover such costs and expenses and, in any case, shall not be used without the prior written approval of the Mortgagee.

VI. RESERVE FOR REPLACEMENTS ESCROW.

Mortgagor shall, on demand and concurrently therewith, in addition to the monthly installments of principal and interest under the terms of the Note, pay to the Mortgagee monthly during the Amortization Period (as such term is defined in the Permanent Loan Note), or at such other time as may be determined by the Mortgagee in its sole discretion, an amount of [\$_____], or such other amount as may be determined by the Mortgagee in its sole discretion (the “Reserve Fund Escrow Funds”). The Reserve Fund Escrow Funds, plus any interest or other earnings thereon, shall at all times be under the sole control of the Mortgagee, and shall be subject to annual adjustment. The Reserve Fund Escrow Funds shall be held in escrow and Mortgagee shall permit disbursements from the Reserve Fund Escrow only for the purpose of effecting replacement of structural elements and mechanical equipment of the Development or for improvements thereto or for other purposes related to the Development as determined by the President-Executive Director of the Mortgagee. Such disbursements shall only be made upon the written direction or consent of the Mortgagee. The Mortgagee shall have no liability for deficiencies in the Reserve Fund Escrow arising from Mortgagor’s failure to timely or adequately fund deposits therein.

VII. RESIDUAL RECEIPTS ESCROW.

Any amounts designated as “Residual Receipts” under Section IV of the Regulatory Agreement shall be held in escrow by the Mortgagee pursuant to this Agreement. As set forth in the Regulatory Agreement, any remaining available funds at the end of any Fiscal Year shall be considered Residual Receipts and, on or before April 1 of each year, commencing on [April 1, 20__] shall be paid to, and held by, Mortgagee and deposited in an interest bearing account accepted by and in the name of Mortgagee (the “Residual Receipts Account”). Mortgagee or its successor or assign shall own and maintain sole ownership and control of funds deposited in the Residual Receipts Account at all times. Residual Receipts shall be disbursed only on the direction of Mortgagee, and for such purposes, as Mortgagee shall determine in its sole discretion.

VIII. AS TO ALL ESCROWS.

(a) The Permanent Loan Proceeds Escrow Funds, Capital Contributions Escrow Funds, Working Capital Escrow Funds, Operating Reserve Escrow Funds, Tax & Insurance Escrow Funds (as defined in the Mortgage), Reserve Fund Escrow Funds, and all funds in the Residual Receipts Account shall collectively hereinafter be referred to as the “Escrow Funds”. All Escrow Funds shall be disbursed at the sole discretion of the Mortgagee and in accordance with the Loan Documents between Mortgagor and the Mortgagee dated as of the date hereof, incorporated herein by reference. The accounts in which any Escrow Funds are now or hereafter held and/or deposited are referred to herein, collectively, as the “Escrow Accounts”.

(b) Additional funds may be deposited to any escrow established hereunder from any source. Escrow Funds held by the Mortgagee may be invested at the Mortgagee’s sole discretion and earnings, if any, therefrom shall become part of the applicable Escrow Account. The Mortgagee may apply income earned, if any, on the Escrow Funds to pay all fees and expenses incurred by the Mortgagee hereunder. With respect to any investment of the Escrow Funds, the Mortgagee specifically disclaims any obligation for any loss, damage or liability arising from any investment, reinvestment, sale, withdrawal, liquidation or any other investment activity or with regard to the Escrow Accounts and/or the institution in which the Escrow Funds are deposited, except for loss, damage or liability resulting from gross negligence or willful misconduct of the Mortgagee.

(c) The Escrow Funds and the Escrow Accounts shall provide a source of monies for the purposes described herein. The insufficiency of Escrow Funds shall not absolve Mortgagor of its obligation to make any payments for which such Escrow Funds are to be or may be applied. No party other than Mortgagor and the Mortgagee shall have or acquire any rights or interest under this Agreement or in or to the Escrow Funds or the Escrow Accounts, whether as a third party beneficiary or otherwise. The parties to this Agreement shall have no liability hereunder with respect to any such other party. No Escrow Account or Escrow Funds under this Agreement shall constitute a loan to the Development by Mortgagor.

(d) Upon the occurrence of an Event of Default, the Escrow Accounts and the Escrow Funds held by the Mortgagee may be used as the Mortgagee, in its sole discretion, shall determine, including, without limitation, the application of the Escrow Funds to any amounts due under the Note, the Mortgage

or the other Loan Documents, or the maintenance of the Escrow Funds and/or the Escrow Accounts for their established purposes.

(e) Unless sooner terminated as herein provided or by mutual written agreement of the parties, this Agreement shall continue from the date hereof until the Loan is paid in full, provided that any individual escrow account (other than the real estate tax, district tax, sewer tax, insurance escrows established pursuant to the Mortgage, and, prior to the Final Closing, the Capital Contributions Escrow) will be terminated automatically and without need of further documentation when the balance is reduced to \$0.00, unless the Mortgagee notifies Mortgagor that said account is to remain in full force and effect.

(f) Mortgagor hereby grants to the Mortgagee a security interest in the Escrow Funds and the Escrow Accounts to secure the obligations of Mortgagor under the Loan Documents. Mortgagor hereby acknowledges and agrees that (i) the Mortgagee has sole dominion, possession and control of the Escrow Funds and the Escrow Accounts, (ii) the Mortgagor has no right of withdrawal with respect to any Escrow Funds or the Escrow Accounts without the prior written consent of the Mortgagee, and (iii) the Mortgagee has perfected, through sole dominion, possession and control, the Mortgagee's security interest in the Escrow Funds and the Escrow Accounts. The provisions of this Agreement are intended to give Mortgagee "control" of the Escrow Funds and the Escrow Accounts and serve as a "security agreement" and a "control agreement" with respect to same (as such terms are defined in the UCC). The Escrow Funds, the Escrow Accounts and any investments thereof shall be held and possessed by the Mortgagee. The security interest hereby granted and conveyed covers and will cover all forms of deposits and investments in which such Escrow Funds may be placed, including, without limitation, the Escrow Accounts, as well as all income and proceeds from the disposition of, such deposits, investments and Escrow Accounts. The security interest shall exist in the cash originally constituting the Escrow Funds, the Escrow Accounts, any initial investment(s) thereof and all cash proceeds therefrom and any reinvestment thereof.

(g) Mortgagor shall indemnify, defend and hold harmless the Mortgagee from and against any and all loss, damage, cost, charge, suit, obligation, fine, penalty, payment, liability, and expense of any kind (including, without limitation, the costs of litigation, investigation and reasonable attorneys' fees and costs and any legal or other expenses) (collectively, the "Losses") incurred by the Mortgagee (as escrow agent or secured party) and arising from or in connection with the Escrow Funds, the Escrow Accounts, the performance of the Mortgagee's duties hereunder or any investment, reinvestment, sale, withdrawal, liquidation or any other investment activity by the Mortgagee which is authorized by or otherwise made in accordance with the terms of this Agreement or any other activity with respect to which the Mortgagee has conclusively relied upon written or oral instructions given to the Mortgagee by Mortgagor which are authorized and otherwise made in accordance with the terms of this Agreement; provided that the foregoing indemnity from Mortgagor shall not apply to Losses which are the direct result of the Mortgagee's gross negligence or willful misconduct. The provisions of this Paragraph shall survive termination of this Agreement and the repayment of the Loan.

(h) The Mortgagee's duties hereunder are limited to holding, disbursing and maintaining the Escrow Funds and/or the Escrow Accounts as provided herein. No other duties or obligations shall be implied to the Mortgagee.

(i) Mortgagor shall: (i) do all acts reasonably within Mortgagor's control that may be necessary to maintain, preserve and protect the Escrow Funds and the Escrow Accounts; (ii) not use or knowingly permit any of the Escrow Funds or the Escrow Accounts to be used unlawfully or in violation of any provision of this Agreement, any of the other Loan Documents or any applicable law, statute, regulation or ordinance; (iii) pay promptly when due all taxes, assessments, charges, encumbrances and liens, if any, now or hereafter imposed upon or affecting any portion of the Escrow Funds or the Escrow Accounts; (iv) notify the Mortgagee promptly of any change in Mortgagor's name or place of business, or, if Mortgagor has more than one place of business, its head office, or office in which Mortgagor's records relating to the Escrow Funds and/or the Escrow Accounts are kept; (v) procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by the Mortgagee to perfect, maintain and protect the Mortgagee's security interest hereunder and the priority thereof (and hereby authorizes Mortgagee to file such endorsements, assignments, financing statements and other writings on Mortgagor's behalf); (vi) appear in and defend any action or proceeding brought by or on behalf of any creditor or partner of Mortgagor which may affect its title to or the Mortgagee's interest in the Escrow Funds or the Escrow Accounts; (vii) keep the Escrow Funds and the Escrow Accounts free of all levies and security interests, liens, charges or other encumbrances in favor of any creditor or other person or entity, except those accepted in writing by the Mortgagee and the security interest created hereby; (viii) not assign, transfer, pledge, hypothecate, mortgage or grant a security interest in the Escrow Funds or the Escrow Accounts, except the security interest created hereby; and (ix) account fully for and promptly deliver to the Mortgagee, in the form received, all Capital Contributions and, all proceeds of the Escrow Funds and/or the Escrow Accounts received by Mortgagor which Mortgagor is not otherwise entitled to retain in accordance with any other provision of this Agreement. Until so delivered, all such Capital Contributions and proceeds shall be held by Mortgagor in trust for the Mortgagee, separate from all other property of Mortgagor and identified as property in which the Mortgagee has a perfected security interest.

(j) Mortgagor hereby irrevocably appoints the Mortgagee as Mortgagor's attorney-in-fact, with full power of substitution, to do (but the Mortgagee shall not be obligated to and shall incur no liability to Mortgagor or any third party for failure so to do) any act which Mortgagor is obligated by this Agreement to do, and upon the occurrence of an Event of Default, to exercise the following rights and powers as Mortgagor might exercise with respect to the Escrow Funds and the Escrow Accounts: (i) collect by legal proceedings or otherwise, endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on account of the Escrow Funds and/or the Escrow Accounts; (ii) insure, protect and preserve the Escrow Funds and/or the Escrow Accounts; (iii) transfer the Escrow Funds and/or the Escrow Accounts to its own or its nominee's name at any time after the occurrence of an Event of Default; and (iv) take any other action the Mortgagee deems advisable with respect to the Escrow Funds and/or the Escrow Accounts in order to protect or exercise the Mortgagee's rights and remedies under this Agreement. Mortgagor shall reimburse the Mortgagee upon demand for any costs and expenses (including, but not limited to, reasonable attorneys' fees and costs) the Mortgagee may incur while acting as Mortgagor's attorney-in-fact hereunder, all of which costs and expenses are included in the obligations secured hereby and by the other Loan Documents.

(k) Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned, pledged or transferred by Mortgagor, in whole or in part, without the Mortgagee's prior written consent. Any purported assignment without such consent shall be a nullity. Subject to the

foregoing, this Agreement shall inure to the benefit of, and be binding on, the parties hereto and their respective heirs, successors, and assigns.

(l) No amendment, modification or addition hereto shall have effect or be binding unless in writing and executed by all of the parties hereto or their respective duly authorized representatives.

(m) Mortgagor shall be responsible for determining any requirements for paying taxes with respect to the Escrow Funds and/or the Escrow Accounts, or reporting any payments of, or income on, the Escrow Funds and/or the Escrow Accounts for tax purposes. Mortgagor shall indemnify and hold harmless the Mortgagee from and against all Losses for tax withholding and/or reporting for any payment made by the Mortgagee pursuant to this Agreement.

(n) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same agreement. Initial capitalized terms not defined in this Agreement shall have the same meanings as are set forth in the Mortgage. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut and federal law, where applicable. As used in this instrument, the term "Mortgagee" shall be deemed to include any person to whom the Note and Mortgage shall be assigned.

(o) All notices and communications required or permitted hereunder shall be in writing and given in accordance with Section 29 of the Mortgage.

(p) False statements made herein are punishable under the penalty for false statement set out in Connecticut General Statutes Section 53a-157b.

(q) Mortgagor hereby agrees that Mortgagor: (i) has not been cited for three (3) or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s): (A) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and (B) was not abated within the time fixed by the citations and (C) such citation has not been set aside, and (ii) has not received one or more criminal convictions related to the injury or death of any employee in such three (3) year period.

(r) Mortgagor further agrees to comply with the Civil Rights Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor also agrees to comply with Sections 4a-60, 4a-60a, and 4-61dd of the Connecticut General Statutes, the provisions of which are incorporated herein by reference.

(s) The rights, powers and remedies herein provided are cumulative and the holder of the Note and the other Loan Documents may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security or any right, power or remedy afforded by the Loan Documents and no enumerated or special rights or powers under any provisions of the Loan Documents shall be construed to limit any grant of general rights or powers thereunder, or take away or limit any and all rights granted to or vested in Mortgagee by virtue of the laws of the State of Connecticut. Nothing herein contained nor any transaction related thereto shall be construed or so operate as to require Mortgagor to make any

payment or to do any act contrary to applicable law; PROVIDED THAT if any clauses or provisions herein contained operate or would prospectively operate to invalidate this Agreement in whole or in part, then such clauses and provisions shall be void, and the remainder of this Agreement shall remain in full force and effect.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

**CONNECTICUT HOUSING FINANCE
AUTHORITY**

By: _____

Name:

Title:

Duly Authorized

[MORTGAGOR]

By: [_____]

Its

By: _____

Name:

Title:

Duly Authorized

Exhibit A

[Schedule of Capital Contributions]

Exhibit B

[Sources and Uses of Funds Schedule]

Exhibit C

[Copy of Letter of Credit]

ENVIRONMENTAL INDEMNIFICATION AGREEMENT

THIS ENVIRONMENTAL INDEMNIFICATION AGREEMENT (this “Agreement”) is made and effective as of the ____ day of _____, 20__ by [MORTGAGOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION], with an office and principal place of business at [MORTGAGOR’S ADDRESS] (the “Indemnitor”) in favor of the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the “Indemnitee”).

RECITALS:

WHEREAS, Indemnitor has executed and delivered to the Indemnitee a certain Construction Loan Promissory Note (the “Construction Loan Note”), Permanent Loan Promissory Note (the “Permanent Loan Note”; the Construction Loan Note and the Permanent Loan Note, collectively, the “Note”), Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing (the “Mortgage”), and certain other loan documents (collectively, the “Loan Documents”), evidencing a first priority mortgage loan in the original principal amount of up to [CONSTRUCTION LOAN AMOUNT WORDS] [CONSTRUCTION LOAN AMOUNT DOLLARS] (the “Construction Loan”) and up to [PERMANENT LOAN AMOUNT WORDS] [PERMANENT LOAN AMOUNT DOLLARS] (the “Permanent Loan”; the Construction Loan and the Permanent Loan, collectively, the “Loan”), which Mortgage encumbers, *inter alia*, certain real property located in [CITY/TOWN], Connecticut and more particularly described in the Mortgage (the “Land”), upon which a certain multifamily rental housing development for persons of low and moderate income known as [DEVELOPMENT NAME], and identified as CHFA Loan No. [CHFA LOAN NUMBER] is or shall be located (the “Premises”; the Land, together with the Premises, is collectively referred to herein as the “Property”); and

WHEREAS, Indemnitee is unwilling to make the Loan unless Indemnitor agrees to provide the indemnification, representations, warranties, covenants and other matters described in this Agreement for the benefit of the Indemnified Parties; and

WHEREAS, Indemnitor is entering into this Agreement to induce Indemnitee to make the Loan.

AGREEMENT:

NOW THEREFORE, in consideration of the making of the Loan and the recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor hereby represents, warrants, covenants and agrees for the benefit of the Indemnified Parties (as defined below) as follows:

1. **Definitions.** Capitalized terms used herein and not specifically defined herein shall have the respective meanings ascribed to such terms in the Loan Documents. As used in this Agreement, the following terms shall have the following meanings:

The term “Environmental Law” means any applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes, orders, and the like, including common law: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Substances. The term “Environmental Law” includes, but is not limited to, the following, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any federal, state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act; the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; and the River and Harbors Appropriation Act. The term “Environmental Law” also includes, but is not limited to, any present and future federal, state and local laws, statutes ordinances, rules, regulations, permits or authorizations and the like, as well as common law, that: (a) condition transfer of property upon or otherwise require a declaration to or other approval of a Governmental Authority regarding the environmental condition of the Property; (b) require notification or disclosure of Releases of Hazardous Substances or other environmental conditions of the Property to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in property; (c) impose conditions or requirements in connection with permits or other authorization for lawful activity; (d) relate to nuisance, trespass or other causes of action related to the Property; or (e) relate to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Property;

The term “Governmental Authority” includes, but is not limited to, any nation, province, state or political subdivision thereof, federal, state or local, and any government or any Person exercising executive, legislative, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing;

The term “Hazardous Substances” includes, but is not limited to, any and all substances (whether solid, liquid or gas, or whether naturally occurring or manmade) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including, but not limited to, petroleum and petroleum-derived products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, mold, urea formaldehyde foam, radioactive materials, flammables and explosives, but excluding substances in amounts ordinarily and customarily used or stored in properties similar to the Property for the purposes of cleaning or other maintenance or activities and otherwise in compliance with Environmental Laws;

The term “Indemnified Parties” includes Indemnitee, any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved with the servicing of the Loan, any Person in whose name the encumbrance created by the Mortgage is or will have been recorded, any Person who may hold or acquire or will have held a full or partial interest in the Loan (including, but not limited to, Investors, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners (general, limited or otherwise), members, managers, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including, but not limited to, any other Person who holds or acquires, or will have held, a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or as a part of, or following, a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Indemnitee’s assets and business);

The term “Investors” means collectively, any purchaser, transferee, assignee, servicer, participant or investor of, or in, the Loan;

The term “Legal Action” means any claim, suit or proceeding, whether administrative or judicial in nature;

The term “Losses” includes any losses, damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities (including, but not limited to, strict liabilities), obligations, debts, diminutions in value, fines, penalties, charges, costs of Remediation (whether or not performed voluntarily), amounts paid in settlement, foreseeable and unforeseeable consequential damages, litigation costs, reasonable attorneys’ fees, engineers’ fees, environmental consultants’ fees, and investigation costs (including, but not limited to, costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings, actions, claims, suits, judgments or awards;

The term “Person” includes, but is not limited to, any individual, corporation, limited liability company, limited liability partnership, limited partnership, general partnership, association, business trust, joint venture, trust, unincorporated association, sole proprietorship, Governmental Authority or any other form of entity;

The term “Release” includes, but is not limited to, any actual or threatened release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances into or through the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture);

The term “Remediation” includes, but is not limited to, any response, remedial, removal, or corrective action; any activity to clean up, detoxify, decontaminate, contain or otherwise

remediate any Hazardous Substance, including, without limitation, the design, negotiation and imposition or any engineered or institutional control; any actions to prevent, cure or mitigate any Release of any Hazardous Substance; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances or to anything referred to herein.

2. Environmental Representations and Warranties. (a) Except as otherwise expressly disclosed by those environmental reports identified on Exhibit A attached hereto (hereinafter referred to as the "Environmental Reports"), there are no (i) Hazardous Substances or underground storage tanks in, on, or under the Property, or (ii) past or present Releases of Hazardous Substances in, on, under or from the Property, which have not been fully remediated in accordance with the requirements of Environmental Law; (b) Indemnitor does not know of, and has not received any written or oral notice or other communication from any Person relating to a Release of Hazardous Substances migrating to or from the Property; (c) except as otherwise expressly disclosed by the Environmental Reports, there is no past or present non-compliance with Environmental Laws in connection with the Property, which has not been fully remediated in accordance with the requirements of Environmental Law; (d) Indemnitor does not know of, and has not received, any written or oral notice or other communication from any Person relating to Hazardous Substances or Remediation, the possible liability of any Person pursuant to any Environmental Law, any other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing; and (e) Indemnitor has truthfully and fully delivered to Indemnitee, in writing, any and all environmental reports, studies, audits, records, sampling data, site assessments and other similar documents relating to conditions in, on, under or from the Property that are known to Indemnitor and all information that is contained in files and records of Indemnitor, including but not limited to any reports relating to Hazardous Substances in, on, under or from the Property and/or to the environmental condition of the Property.

3. Environmental Covenants. Indemnitor covenants and agrees that from and after the date hereof: (a) all uses and activities on or of the Property, by Indemnitor and permitted by Indemnitor to any other Person, shall be in compliance with all Environmental Laws; (b) Indemnitor shall not permit nor authorize any Releases of Hazardous Substances in, on, under or from the Property, except those that are both (i) in full compliance with Environmental Laws and (ii) fully disclosed to Indemnitee in writing; (c) there shall be no Hazardous Substances in, on, or under the Property, except those that are both (i) in full compliance with all Environmental Laws and (ii) fully disclosed to Indemnitee in writing; (d) Indemnitor shall keep the Property free and clear of all liens or other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of Indemnitor or any other Person (the "Environmental Liens"); (e) Indemnitor shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to Section 4 of this Agreement, including, but not limited to, providing all relevant information and making knowledgeable persons available for interviews; (f) Indemnitor shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Property, pursuant to any reasonable written request of Indemnitee (including, but not limited to, sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), and share with Indemnitee the reports and other results thereof, and Indemnitee and the other Indemnified Parties shall be entitled to rely on such reports and other results thereof under the same terms and conditions as Indemnitor (such reliance

to be at Indemnitor's sole cost and expense); (g) Indemnitor shall, at its sole cost and expense, comply with all reasonable written requests of Indemnitee to (i) effectuate Remediation of any condition (including, but not limited to, a Release of a Hazardous Substance) in, on, under or from the Property in order to comply with Environmental Laws; (ii) comply with any Environmental Law; (iii) comply with any directive from any Governmental Authority concerning Environmental Law; and (iv) take any other reasonable action necessary or appropriate for protection of human health and/or the environment in order to comply with Environmental Law; (h) Indemnitor shall not do, or allow any tenant or other user of the Property to do, any act that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any Person (whether on or off the Property), impairs or may impair the value of the Property, is contrary to any requirement of any insurer, constitutes a public or private nuisance, constitutes waste, or violates any covenant, condition, agreement or easement applicable to the Property; and (i) Indemnitor shall promptly notify Indemnitee in writing upon obtaining knowledge of (i) the presence or Releases of Hazardous Substances in, on, under, from or migrating toward the Property; (ii) any non-compliance with any Environmental Law related in any way to the Property; (iii) any actual or potential Environmental Lien against all or any of the Property; (iv) any required or proposed Remediation of environmental conditions relating to the Property; and (v) any written or oral notice or other communication of which any Indemnitor becomes aware from any source whatsoever (including, but not limited to, a Governmental Authority) relating in any way to Hazardous Substances or Remediation thereof, possible liability of any Person pursuant to any Environmental Law, other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Agreement.

4. Indemnified Rights/Cooperation and Access. In the event any of the Indemnified Parties have reason to believe that Hazardous Substances or any other environmental hazard exists on the Property that is reasonably likely to, in the sole discretion of such Indemnified Party, endanger any tenants or other occupants of the Property or their guests or the general public or materially and adversely affect the value of the Property, upon reasonable prior written notice from Indemnitee, Indemnitor shall, at Indemnitor's sole cost and expense, promptly cause an engineer or consultant satisfactory to the Indemnified Parties to conduct an environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the Indemnified Parties) and take any samples of soil, groundwater or other water, air, or building materials or any other invasive testing reasonably requested by Indemnitee and promptly deliver to Indemnitee the results of any such assessment, audit, sampling or other testing; provided, however, if such results are not delivered to the Indemnitee within a reasonable period, upon reasonable notice to Indemnitor, the Indemnified Parties and any other Person designated by the Indemnified Parties, including, but not limited to, any receiver, any representative of a governmental entity, and any environmental consultant, shall have the right, but not the obligation, at Indemnitor's sole cost and expense, to enter upon the Property at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including but not limited to, conducting any environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the Indemnified Parties) and taking samples of soil, groundwater or other water, air, or building materials, and reasonably conducting other invasive testing. Indemnitor shall cooperate with and provide the Indemnified Parties and any such Person designated by any of the Indemnified Parties with access to the Property.

5. Indemnification. Indemnitor covenants and agrees, at its sole cost and expense, to protect, defend, indemnify, release and hold the Indemnified Parties harmless from and against any and

all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) the presence of any Hazardous Substances in, on, above, or under the Property; (b) any past or present Release of Hazardous Substances in, on, above, under or from the Property; (c) any activity by Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property in connection with any actual, proposed or threatened use, treatment, storage, disposal or other Release, generation, production, manufacturing, processing, refining, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances at any time; (d) any activity by Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property in connection with any actual or proposed Remediation of any Hazardous Substances located in, under, on or above the Property, whether or not such Remediation is voluntary or pursuant to court or administrative order, including, but not limited to, any removal, remedial or corrective action; (e) any past, present or threatened non-compliance or violations of any Environmental Laws, including but not limited to the Connecticut Property Transfer Act, Conn. Gen. Stat. §§ 22a-134 *et seq.*, in connection with the Property or activities thereon; (f) the imposition, recording or filing or the threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in this Agreement; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Property, including, but not limited to, costs to investigate and assess such injury, destruction or loss; (i) any acts of Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property in arranging for transportation, storage, disposal or treatment, or arranging with a transporter for transport for storage, disposal or treatment, of Hazardous Substances; (j) any acts of Indemnitor, any Person affiliated with any Indemnitor, and any tenant or other user of the Property in accepting any Hazardous Substances for transport to treatment, storage, or disposal facilities or sites from which there is a Release of any Hazardous Substance which causes the incurrence of costs for Remediation; (k) any personal injury, wrongful death, or property or other damage arising under any statutory or common law or tort law theory, including, but not limited to, damages assessed for private or public nuisance or for the conducting of an abnormally dangerous activity on or near the Property; and (l) any misrepresentation or inaccuracy in any representation or warranty or breach or failure to perform any covenants or other obligations pursuant to this Agreement or the Mortgage. In addition, Indemnitee agrees to timely seek recovery from available insurance coverage, including, without limitation, any environmental pollution legal liability policy or secured creditor policy, in connection with any indemnification claim, and shall provide Indemnitor with written notice and copies of claims filed under such policies for the purpose of coordinating claims in a commercially reasonable manner with Indemnitor under Indemnitor's policies (if any).

6. Duty to Defend and Attorneys and Other Fees and Expenses. Upon written request by any Indemnified Party, Indemnitor shall defend same (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties. Notwithstanding the foregoing, any Indemnified Parties may, in their sole and absolute discretion, engage their own attorneys and other professionals to defend or assist them, and, at the option of Indemnified Parties, their attorneys shall control the resolution of any claim or proceeding, providing that no compromise or settlement shall be entered without Indemnitor's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Upon demand, Indemnitor shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of

reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

7. Unimpaired Liability. The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and Indemnitor hereby consents to and agrees to be bound by, any amendment or modification of the provisions of the Mortgage or any other Loan Document to or with Indemnitee by Indemnitor or any Person who succeeds Indemnitor or any Person as owner of the Property. In addition, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by (a) any extensions of time for performance required by the Mortgage or any of the other Loan Documents, (b) any sale or transfer of all or part of the Property, (c) any exculpatory provision in the Note, the Mortgage or any of the other Loan Documents limiting Indemnitee's recourse to the Property or to any other security for the Indebtedness, or limiting Indemnitee's rights to a deficiency judgment against Indemnitor, (d) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under the Mortgage or any of the other Loan Documents or herein, (e) the release of Indemnitor or any other Person from performance or observance of any of the agreements, covenants, terms or condition contained in the Mortgage or any of the other Loan Documents by operation of law, Indemnitee's voluntary act, or otherwise, (f) the release or substitution in whole or in part of any security for the Indebtedness, or (g) Indemnitee's failure to record the Mortgage or file any Uniform Commercial Code financing statements (or Indemnitee's improper recording or filing of any thereof) or to otherwise perfect, protect, secure or insure any security interest or liens or other encumbrances given as security for the Indebtedness; and, in any such case, whether with or without notice to Indemnitor and with or without consideration. Without limiting the immediately preceding two sentences, Indemnitor expressly confirms and agrees that its obligations under this Agreement are personal obligations of Indemnitor, and not limited in recourse to the Property or other security for the Loan as provided in other of the Loan Documents. Nothing contained herein shall be construed to obligate Indemnitor to indemnify, defend and hold harmless any Indemnified Party for the direct result solely caused by such Indemnified Party's own willful misconduct or gross negligence; provided that a court of competent jurisdiction has made such determination in a final, non-appealable decision.

8. Enforcement. Indemnified Parties may enforce the obligations of Indemnitor without first resorting to, or exhausting any security or collateral under, or without first having recourse pursuant to, the Mortgage or any other Loan Documents or any of the Property, provided, however, that nothing herein shall inhibit or prevent Indemnitee from exercising any of its rights and remedies under the Loan Documents. This Agreement is not collateral or security for the Indebtedness, unless Indemnitee expressly elects in writing to make this Agreement additional collateral or security for the Indebtedness in its sole and absolute discretion. It is not necessary for an Event of Default to have occurred for Indemnified Parties to exercise their rights pursuant to this Agreement.

9. Survival. The obligations and liabilities of Indemnitor under this Agreement shall fully survive indefinitely notwithstanding the payment in full of the Indebtedness and any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of the Mortgage. Notwithstanding the provisions of this Agreement to the contrary, the liabilities and obligations of Indemnitor hereunder shall not apply to the extent that Indemnitor can prove that such liabilities and obligations arose solely from Hazardous Substances that were not present on the Property prior to the date that Indemnitee or its nominee acquired both title to and possession of the Property, whether by foreclosure, exercise of power of sale or otherwise.

10. Interest. Any amounts payable to any Indemnified Parties under this Agreement shall become immediately due and payable on demand and, if not paid within thirty (30) days of such demand therefor, shall bear interest at the Default Rate.

11. Waivers.

(a) Indemnitor hereby waives: (i) any right or claim of right to cause a marshaling of Indemnitor's assets; (ii) and relinquishes all rights and remedies accorded by applicable law to indemnitors or guarantors, except any rights of subrogation which Indemnitor may have, provided that the indemnity provided for hereunder shall neither be contingent upon the existence of any such rights of subrogation nor subject to any claims or defenses whatsoever which may be asserted in connection with the enforcement or attempted enforcement of such subrogation rights including, without limitation, any claim that such subrogation rights were abrogated by any acts of Indemnitee or other Indemnified Parties; (iii) the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against or by Indemnitee or other Indemnified Parties; (iv) notice of acceptance hereof and of any action taken or omitted in reliance hereon; (v) presentment for payment, demand of payment, protest or notice of nonpayment or failure to perform or observe, or other proof, or notice or demand (except as expressly provided herein); and (vi) all homestead exemption rights against the obligations hereunder and the benefits of any statutes of limitations or repose. Notwithstanding anything to the contrary contained herein, Indemnitor hereby agrees to postpone the exercise of any rights of subrogation with respect to any collateral securing the Loan until the Loan shall have been paid in full.

(b) INDEMNITOR WAIVES TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTION OF WHICH THE LOAN AND THIS AGREEMENT ARE A PART AND/OR IN THE DEFENSE OR ENFORCEMENT BY ANY INDEMNIFIED PARTY OR ANY OF SUCH INDEMNIFIED PARTY'S RIGHTS AND REMEDIES HEREUNDER OR UNDER APPLICABLE LAW. INDEMNITOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

(c) INDEMNITOR REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS AGREEMENT IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF INDEMNITOR ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. THE INDEMNITOR HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES INDEMNITEE MAY EMPLOY TO ENFORCE ITS RIGHTS

AND REMEDIES HEREUNDER. INDEMNITOR FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH INDEMNITEE'S EXERCISE OF ANY PREJUDGMENT REMEDY. INDEMNITOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

12. Subrogation. Indemnitor shall take any and all reasonable actions, including institution of Legal Action against third parties, necessary or appropriate to obtain reimbursement, payment or compensation from such persons responsible for the presence of any Hazardous Substances at, in, on, under or near the Property or otherwise obligated by law to bear the cost. Indemnified Parties shall be and hereby are subrogated to all of Indemnitor's rights now or hereafter in such claims.

13. No Waiver. No delay by any Indemnified Party in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

14. Notice of Legal Actions. Each party hereto shall, within five (5) days of receipt thereof, give written notice to the other party hereto of (a) any notice, advice or other communication from any Governmental Authority or any Person or source whatsoever with respect to Hazardous Substances on, from or affecting the Property, and (b) any Legal Action brought against such party or related to the Property, with respect to which Indemnitor may have liability under this Agreement, provided, that any failure or delay in an Indemnified Party providing notice to Indemnitor of any such Legal Action shall not affect Indemnitor's obligations hereunder, except to the extent that the Indemnitor actually is prejudiced by such failure or delay. Such notice shall comply with the provisions of Section 15 hereof.

15. Notices. Any notice, demand or request hereunder shall be given and/or made in accordance with Section 29 of the Mortgage.

16. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

17. No Oral Change. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Indemnitor or any Indemnified Party, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

18. Headings, Etc. The headings and captions of various paragraphs of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

19. Number and Gender/Successors and Assigns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require. Without limiting the effect of specific references in any provision of this Agreement, the term “Indemnitor” shall be deemed to refer to each and every Person comprising an Indemnitor from time to time, as the sense of a particular provision may require, and to include the heirs, executors, administrators, legal representatives, successors and assigns of Indemnitor, all of whom shall be bound by the provisions of this Agreement, provided that no right or obligation of Indemnitor hereunder may be assigned except with the prior written consent of Indemnitee. Each reference herein to Indemnitee shall be deemed to include its successors and assigns. This Agreement shall inure to the benefit of Indemnified Parties and their respective successors and assigns forever.

20. Release of Liability. Any one or more parties liable upon or in respect of this Agreement may be released without affecting the liability of any party not so released.

21. Rights Cumulative. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies which Indemnitee has under the Mortgage or the other Loan Documents or would otherwise have at law or in equity.

22. Inapplicable Provisions. If any term, condition or covenant of this Agreement (or part thereof) shall be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision (or part thereof).

23. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Indemnitor agrees that any controversy arising under or in relation to the Loan, this Agreement and the other Loan Documents shall be litigated exclusively in the State of Connecticut. The state and federal courts and authorities with jurisdiction in the State of Connecticut shall have exclusive jurisdiction over all controversies that arise under or in relation to the Loan, this Agreement and the other Loan Documents. Indemnitor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

24. Miscellaneous. Wherever pursuant to this Agreement (i) Indemnitee exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Indemnitee, or (iii) any other decision or determination is to be made by Indemnitee, the decision of Indemnitee to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Indemnitee, shall be in the sole and absolute discretion of Indemnitee and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein. Wherever pursuant to this Agreement it is provided that Indemnitor pay any costs and expenses, such costs and expenses shall include, but not be limited to, legal fees and disbursements of Indemnitee, whether retained firms, the reimbursements for the expenses of the in-house staff or otherwise.

25. Joint and Several Liability. Each entity comprising Indemnitor hereunder shall be jointly and severally liable for performance of the obligations to be performed by Indemnitor hereunder. Each entity comprising Indemnitor hereunder jointly and severally consents hereby to any and all extensions of

time, renewals, waivers or modifications of, and all substitutions or releases of, security or of any party primarily or secondarily liable on this Agreement or any term and provision thereof, which may be made, granted or consented to by Indemnatee, and agrees that suit may be brought and maintained against any one or more of them, at the election of Indemnatee without joinder of any other as a party thereto.

26. Events of Default. Indemnitor's failure to comply with any term, provision, or covenant of this Agreement shall be an event of default hereunder and an "Event of Default" under the Mortgage.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed by Indemnitor and is effective as of the day and year first above written.

INDEMNITOR:

[MORTGAGOR]

By: [_____]
Its [_____]

By: _____
Name:
Title:
Duly Authorized

Exhibit A

[List of Environmental Reports]

[Same as List in Section II(f) of Mortgagor Affidavit]

MORTGAGOR AFFIDAVIT AND AGREEMENT

This MORTGAGOR AFFIDAVIT AND AGREEMENT (the “Affidavit”) is being delivered to the **CONNECTICUT HOUSING FINANCE AUTHORITY** (the “Mortgagee”) in connection with the closing of a certain first mortgage loan in the principal amount of up to [TOTAL LOAN AMOUNT WORDS][TOTAL LOAN AMOUNT NUMBERS] (the “Loan”) being made by Mortgagee to [MORTGAGOR] a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR’S ADDRESS] (the “Mortgagor”). The obligations of Mortgagor are secured by, among other things, a certain Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing (the “Mortgage”) dated as of even date herewith from Mortgagor to Mortgagee encumbering certain real property known as [DEVELOPMENT NAME], located at [DEVELOPMENT ADDRESS], as more particularly described in the Mortgage (the “Development”), and the Loan is further evidenced by certain other Loan Documents (as defined in the Mortgage).

I. MORTGAGOR CERTIFICATE.

(a) Mortgagor hereby represents, warrants and certifies to Mortgagee that: (i) the [_____] of Mortgagor dated [_____] (the “Mortgagor Organizational Agreement”) is in full force and effect, and has not been amended, modified or otherwise changed and none of the parties to the Mortgagor Organizational Agreement have defaulted thereunder; (ii) the [_____] of Mortgagor dated as of [_____, 20__ (the “Mortgagor Organizational Filing”) is in full force and effect, and has not been amended, modified or otherwise changed and the Mortgagor is validly organized under Connecticut law, and the Mortgagor Organizational Filing has been properly filed with the Secretary of State of the State of Connecticut; (iii) by its execution and delivery of the Mortgagor Organizational Agreement, the limited partner and/or investor member of Mortgagor has consented to the Loan; (iv) the financial condition of Mortgagor has not suffered any materially adverse change(s) since the date of Mortgagor’s application to the Mortgagee for the Loan; (v) Mortgagor is solvent and is not a party to any bankruptcy, reorganization or other insolvency proceeding(s); (vi) [_____] is the duly authorized general partner, manager and/or managing member of Mortgagor with full power and authority to engage in the Loan transaction in the name and on behalf of Mortgagor and to execute and deliver, in the name and on behalf of Mortgagor, the Loan Documents; (vii) all such Loan Documents executed by [_____] as a general partner, manager and/or managing member of Mortgagor in connection with the Loan, are binding and enforceable obligations of Mortgagor in accordance with their terms; (viii) no portion of the Development (or of any cash used to acquire the Development) or any part thereof (A) was obtained through or by virtue of any illegal act, or (B) is subject to forfeiture under any federal or state law or regulation; (ix) Mortgagor (A) has not been cited for three (3) or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three (3) years immediately preceding the date hereof, which violation(s): (1) were cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, as amended, (2) were not abated within the time fixed by the citations, and (3) such citation has not been set aside; (x) Mortgagor has not received one or more criminal convictions related to the injury or death of any employee in such three (3) year period; (xi) the execution, delivery and performance of the Loan Documents will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the

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creation or imposition of any lien, charge or other encumbrance on the property or assets of Mortgagor, pursuant to the terms of any document, agreement or instrument to which Mortgagor is a party or any of its assets or properties are subject; (xii) Borrower has obtained any consent, approval, authorization, order, registration or qualification with any governmental authority required for the execution, delivery and performance of the Loan Documents; and (xiii) Mortgagor is not subject to any actions, suits or proceedings of any nature whatsoever, now pending or to Mortgagor's knowledge threatened, against Mortgagor or its properties or assets, which, if adversely determined, could have a material adverse effect on Mortgagor or its properties or assets.

(b) Mortgagor agrees to comply with the Civil Rights Acts of 1964 and 1968, as amended, and Executive Orders relating thereto, as applicable, and Mortgagor also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, as amended, incorporated herein by reference.

II. ENVIRONMENTAL AFFIDAVIT.

The environmental condition of the Development is a material inducement to Mortgagee in making the Loan, and the undersigned, being an authorized signatory of the general partner(s), manager(s) and/or managing member(s) of Mortgagor, and acknowledging that the Mortgagee will extend the Loan only in complete reliance upon the truth and accuracy of the statements contained herein, being duly sworn, hereby represents and certifies to the Mortgagee that, after due inquiry:

(a) I am at least eighteen (18) years of age.

(b) I believe in the obligation of an oath.

(c) I am [_____], the [_____] of Mortgagor.

(d) Mortgagor is the owner of the Development and has owned the Development since [_____].

(e) During said period of ownership, the use of the Development was as [_____].

(f) The Mortgagor has provided to Mortgagee complete and accurate copies of certain environmental reports (collectively, the "Environmental Reports") entitled:

[_____]
[_____]
[_____]

(g) The representations and warranties included in that certain Environmental Indemnification Agreement dated as of even date herewith, made by Mortgagor in favor of Mortgagee are true and correct as of the date hereof.

(h) Each of the environmental conditions identified in the Environmental Reports has been, or will be, remediated, complied with, resolved, abated, removed and/or disposed of, as appropriate, on or before the Final Closing in accordance with all applicable federal, state and local laws and regulations, and the “CHFA Construction Guidelines: Environmental & Hazardous Materials Review 2015”, subject to any continuing monitoring and/or reporting requirements (collectively, the “Remedial Work”). No specific consents and/or approvals are required by federal, state and/or local laws or regulations in connection with the Remedial Work. Without limiting the generality of the foregoing, the Remedial Work shall include the following:

***[LIST SPECIFIC ENVIRONMENTAL WORK TO BE COMPLETED]
[MORTGAGOR TO COMPLETE/CHFA TECH SERVICES TO CONFIRM]***

[Examples:

[Perform asbestos remediation in accordance with [_____]

[Remediate the environmental conditions set forth in [_____]

(i) Other than the items set forth in this Affidavit and in the Environmental Reports, the undersigned is not aware of any other environmental condition(s) on the Development requiring investigation, containment, treatment, removal, abatement and/or remediation.

(j) All Remedial Work shall be completed by Mortgagor under the oversight of a Connecticut licensed environmental professional (“LEP”), or other appropriately licensed professional acceptable to Mortgagee in its sole discretion. Following the completion of the Remedial Work and prior to the Final Closing, the Mortgagor shall submit to Mortgagee a statement of environmental compliance from the Mortgagor’s LEP or other appropriately licensed professional, together with records and documentation indicating proper removal and disposal of waste, if any, per all applicable federal, state and/or local laws and regulations.

(k) Mortgagor will not undertake any activities regulated under the Hazardous Materials Transportation Act (“HMTA”). However, if Mortgagor should undertake any such activities, Mortgagor will ensure compliance with the requirements of HMTA including, but not limited to registration, permitting, and record keeping.

**III. ASSURANCE OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT
OF 1964 AND EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION OF MORTGAGOR.**

The undersigned, Mortgagor is the “Mortgagor” within the meaning of Chapter 134 of the Connecticut General Statutes (the “CHFA Act”) and HEREBY COVENANTS AND AGREES THAT it will comply with all provisions and requirements of the CHFA Act and with Title VI of the Civil Rights Act of 1964 (the “Act”) and the regulations issued pursuant to that title (the “Regulations”), to the end that, in accordance with such Act and Regulations, no person in the United States shall, on the ground of race, creed, color, national origin or ancestry, sex, marital status, age, sexual orientation, genetic information, learning disability, present or past history of mental disability, mental retardation, or physical disability (subject to Section 46a-60 of the Connecticut General Statutes), or other classification(s) protected by state or federal law, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination

under any program or activity for which Mortgagor receives federal financial assistance and HEREBY GIVES ASSURANCE THAT it shall immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to Mortgagor, Mortgagor shall be obligated or in the case of any transfer of such property, any transferee shall be obligated, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits to comply with the provisions of this Section. If any personal property is so provided, Mortgagor shall be obligated to comply with the provisions of this Section for the period during which it retains ownership or possession of the property. In all other cases Mortgagor shall be obligated under this Section for the period during which the federal financial assistance is extended to it.

The Mortgagor further certifies and agrees that: (i) there shall be no discrimination against any employee of Mortgagor who is employed by Mortgagor in carrying out work being financed by Mortgagee, or against any applicant for such employment, because of such employee's or applicant's race, creed, color, national origin or ancestry, sex, marital status, age, sexual orientation, genetic information, learning disability, present or past history of mental disability, mental retardation, or physical disability (subject to Section 46a-60 of the Connecticut General Statutes), or other classification(s) protected by state or federal law, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship; (ii) it shall incorporate or cause to be incorporated into any contract for construction, renovation and/or rehabilitation work, or modification thereof, which is paid for, in whole or in part, with funds obtained pursuant to a Mortgagee program, the equal opportunity clause required by the Mortgagee, the CHFA Act, the Act or other law or regulation and this clause is set out in Part I, Subpart B, Section 202 of Executive Order 11246, as amended; (iii) it shall be bound by said equal opportunity clause with respect to its own employment practices when it participates in any Mortgagee-financed work; (iv) it shall assist and cooperate actively with the Mortgagee in obtaining compliance by contractors and subcontractors with the equal opportunity clause and the Procedures, regulations and relevant orders of Mortgagee; (v) it shall furnish Mortgagee such information as Mortgagee may require for supervision of such compliance, and shall otherwise assist Mortgagee in the discharge of Mortgagee's primary responsibility for securing compliance; (vi) it shall refrain from entering into any contract or contract modification with a contractor debarred from, or who has not demonstrated eligibility for, Mortgagee-financed construction contracts; (vii) it shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by Mortgagee; and (viii) if Mortgagor fails or refuses to comply with this undertaking, Mortgagee may cancel, terminate or suspend in whole or in part any contractual arrangements Mortgagee may have with Mortgagor, and may refrain from extending any further assistance to Mortgagor under any Mortgagee program(s) until satisfactory assurance of future compliance has been received from such Mortgagor.

THIS ASSURANCE AND CERTIFICATION is given in consideration of and for the purpose of obtaining any and all loans, advances, grants, properties, contracts or other financial assistance extended after the date hereof by Mortgagee to Mortgagor, including installment payments after such date on account of applications for financial assistance which were accepted before such date. Mortgagor recognizes and agrees that such financial assistance will be extended in reliance on the representations and agreements made herein, and that Mortgagee and/or the United States shall have the right to seek judicial enforcement hereof.

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IV. COST CERTIFICATION AGREEMENT AND
COVENANT TO COMPLY WITH C.G.S. SECTION 8-253a(6).

(a) Certification of Actual Cost. Mortgagor shall submit to Mortgagee prior to the receipt of the final advance of Loan proceeds (the "Proceeds"), and within the period fixed in the Loan Documents executed in connection with the Loan for completion of the Development or any extension of such period accepted in writing by Mortgagee in its sole discretion, a fully completed and executed (i) certification of Mortgagor and (ii) certificate(s) of general contractor (each separately and both together, a "Certificate"), all acceptable to Mortgagee in its sole discretion and on forms currently prescribed by Mortgagee. A copy of each Certificate is attached hereto as Exhibit A and Exhibit B and made a part hereof. The actual project cost (as defined in Section 8-243(f) of the Connecticut General Statutes) of the Development shall exceed the amount of the Loan by ten percent (10%) or more, or if Mortgagor is a housing authority, non-profit corporation or cooperative, the actual project cost (as defined in Section 8-243(f) of the Connecticut General Statutes) of the Development shall exceed the amount of the Loan.

Each Certificate shall be supported by the certification of an independent public accountant in a form acceptable to Mortgagee in its sole discretion. If any Certificate states that funds are owed to vendors and/or suppliers for materials or completed work, Mortgagee may withhold an amount equal to ten percent (10%) of the builder's profit (as set out on the exploded Trade Payment Breakdown and on the Schedule of Values (Form 2328) executed as of the date hereof) and may hold such amount until the Mortgagor has submitted to Mortgagee a supplemental Certificate acceptable to Mortgagee confirming that all suppliers and vendors have been paid in full. Mortgagor shall not be entitled to any undisbursed Proceeds unless Mortgagor has furnished to Mortgagee an acceptable opinion from an independent certified public accountant which shall be delivered to Mortgagee at least twenty (20) days prior to the date of anticipated Final Closing (as hereinafter defined) and thereafter extended to the date of Final Closing. Receipt of such opinion by Mortgagee shall not obligate Mortgagee to disburse any remaining Proceeds at Final Closing.

(b) Repayment of Excess Proceeds; Cost Savings. If Mortgagor receives Proceeds in excess of those permitted by the Loan Documents, Mortgagor shall pay upon demand to Mortgagee the amount, if any, by which the Proceeds exceed the certified actual project cost, subject to audit and determination by Mortgagee. All hard and soft cost savings shall be treated as set out in the procedures promulgated by Mortgagee pursuant to the CHFA Act. If Mortgagee, for cost certification purposes, accepts estimates of any costs: (i) Mortgagor shall, upon a determination of actual costs, promptly submit in a form satisfactory to Mortgagee a Certificate which is reduced by the net amount (total receipts less expenses of perfecting claims) of funds received in settlement of any claim(s) against bonding companies or others; (ii) Mortgagor shall, if the substitution of such certified actual costs for the cost estimates would have required a reduction of the amount of the Loan, pay on demand forthwith to Mortgagee the amount of such reduction for application to the then outstanding principal balance of the Loan; and (iii) Mortgagee may withhold funds from the final advance of Proceeds until receipt of a supplemental Certificate acceptable to Mortgagee. In such event, the Proceeds withheld, when disbursed, shall be disbursed, less (A) any late submission penalty, and (B) any funds required for a reduction in the principal balance of the Loan resulting from the substitution of actual costs for cost estimates.

(c) Accounting for Non-Cash Amounts. Amounts set out in a Certificate which are not required to be paid in cash may result in an excess of Proceeds over actual cash disbursements necessary to complete

the construction, renovation and/or rehabilitation of the Development. If required by Mortgagee, any such excess cash shall, prior to Final Closing, be deposited in an escrow account held by an escrow agent acceptable to Mortgagee, from which disbursements may be made only for the benefit of the Development and with the prior written consent of Mortgagee.

(d) Conflicts of Interest. Mortgagor hereby certifies: (i) that no direct or indirect relationship exists between Mortgagor and any person who may benefit financially from the Development, except: [None][_____]; and (ii) if there comes into being any identity of interest between Mortgagor and the Architect or between the General Contractor and the Architect, then Mortgagor shall immediately relieve the Architect of inspection duties and the maximum Architect's fees allowable for cost certification purposes shall be [\$_____] for design services only. No fee shall be allowed to an identity of interest Architect for supervision of the construction, renovation and/or rehabilitation of the Development.

(e) Reliance & Submission. The foregoing agreement by Mortgagor is made and delivered for the purpose of influencing official action of Mortgagee and may be relied upon by Mortgagee as true, correct and complete. Mortgagor shall submit its Certificate in form acceptable to Mortgagee not later than sixty (60) days after substantial completion of the construction, renovation and/or rehabilitation work at the Development, as determined by Mortgagee. Submission of a Certificate after the expiration of sixty (60) days subsequent to the substantial completion date may subject the Mortgagor to a late submission charge of .0001 of the Loan amount (including amounts set out on any supplemental Certificate acceptable to Mortgagee) per day for each day of delay beyond such sixty (60) days, unless Mortgagee has granted an extension in writing. As required, Mortgagor shall submit a supplemental Certificate acceptable to Mortgagee within sixty (60) days after Final Closing.

V. FINAL CLOSING.

The Development shall have been completed in all respects in accordance with plans, drawings and specifications therefor (and any change orders, as submitted to and accepted by Mortgagee in its sole discretion), all terms, conditions and requirements of the Loan Documents shall have been satisfied, and Mortgagor shall execute and/or deliver to Mortgagee all documents and exhibits required by Mortgagee's standard closing procedures, as published by Mortgagee from time to time, on or before [_____, 20__ (the "Final Closing"). In the event the Final Closing requirement has not occurred and been satisfied, Mortgagor shall pay to Mortgagee a non-refundable fee in the amount of \$5,000 on the first (1st) day of each month (or partial month) that a Final Closing is delayed for a period of up to six (6) months. If the Final Closing has not occurred by the end of said six (6) month period, it shall be considered an Event of Default under the Loan Documents.

VI. MISCELLANEOUS.

The provisions hereof are binding on Mortgagor, its successors, transferees, and assigns, and the person or persons whose signature(s) appears below are authorized to sign this Affidavit on behalf of Mortgagor. The undersigned acknowledges that the Mortgagee is relying upon this Affidavit in making the Loan to Mortgagor and could be harmed if this Affidavit is incomplete or incorrect. False statements made herein are punishable under the penalty for false statement set out in Section 53a-157b of the Connecticut General Statutes. This Affidavit shall be governed and construed in accordance with the laws of the State of Connecticut, shall be binding upon the undersigned and its successors and assigns, and shall inure to the benefit of Mortgagee and its successors and assigns.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgagor Affidavit and Agreement as of this the _____ day of _____, 20__.

[MORTGAGOR]

By: [_____]

Its [_____]

By: _____

Name:

Title:

Duly Authorized

Exhibit A

CERTIFICATE OF GENERAL CONTRACTOR

To: CONNECTICUT HOUSING FINANCE AUTHORITY

Re: DEVELOPMENT NUMBER: _____
DEVELOPMENT NAME: _____ (the "Development")
LOCATION: _____

The undersigned, as general contractor of the above Development, makes the following certifications:

1. That the construction, renovation and/or rehabilitation is in accordance with the drawings and specifications which were approved by the Connecticut Housing Finance Authority (the "Mortgagee").
2. That the construction, renovation and/or rehabilitation is in compliance with the CHFA Standards of Design and Construction.
3. That all outstanding unpaid obligations contracted by or on behalf of the undersigned in connection with the construction, renovation and/or rehabilitation are listed below. (If space below is inadequate, continue listing on an attached sheet and so note.)

a. _____	\$ _____
b. _____	\$ _____
c. _____	\$ _____
d. _____	\$ _____
e. _____	\$ _____

4. That, except for unfinished work covered by an approved escrow deposit approved by Mortgagee, the undersigned agrees to pay the foregoing obligations in cash and to furnish Mortgagee receipts, or other evidence of payment satisfactory to Mortgagee, within 15 days following receipt of payment from owner.
5. That the undersigned has been paid in full for all work or services performed and for all materials purchased, whether directly or indirectly, with respect to the Development.
6. That the undersigned attests that neither Mortgagee nor any of its officers, directors, employees agents or independent contractors have any legal responsibility or are otherwise indebted to the undersigned with respect to the Development, and the undersigned does hereby forever waive and release any and all rights or claims against Mortgagee or its officers, directors, employees agents or independent contractors whether in law or in equity arising from anything to do with the Development.

By: _____
(General Contractor)

(Title)

Date: _____

Exhibit B

CERTIFICATION OF MORTGAGOR

TO: CONNECTICUT HOUSING FINANCE AUTHORITY

Re: DEVELOPMENT NUMBER: _____

DEVELOPMENT NAME: _____ (the "Development")

LOCATION: _____

In order to induce the Connecticut Housing Finance Authority (the "Mortgagee") to advance the balance of mortgage proceeds at Final Closing (as defined in the Mortgagor Affidavit and Agreement made by Mortgagor and Mortgagee on [_____, 20___, and with the intent that Mortgagee rely upon the statements hereinafter set forth, the undersigned makes the following certifications:

1. That it has received the sum of \$_____ which when added to the final advance will total \$_____, constituting the full amount of the mortgage for this Development.

2. That construction, renovation and/or rehabilitation of the project is substantially complete and is in accordance with the plans and specifications approved by Mortgagee; that said mortgage is a good and valid first lien on the property therein described; that the property is free and clear of all liens other than that of subject mortgage; that all outstanding unpaid obligations contracted by or on behalf of the mortgagor entity directly or indirectly, in connection with the mortgage transaction, the acquisition of the property, or the construction, renovation and/or rehabilitation of the Development are listed below:

- | | | |
|-----|--|----------|
| *a. | Mortgagee approved notes (copies attached) | \$ _____ |
| b. | Due the general contractor | \$ _____ |
| *c. | Other | \$ _____ |

3. That, except for the amounts due on notes listed in item a. of paragraph 2 above, the undersigned agrees to pay the foregoing obligations in cash and to furnish Mortgagee receipts, or other evidence of payment satisfactory to Mortgagee, within 45 days following receipt of the final advance of mortgage proceeds.

Mortgagor
By _____
Title

Date _____

(*)NOTE: If the space provided is inadequate to list all unpaid obligations, insert the total in each category and attach itemizations. If there are no outstanding obligations, so state.

GENERAL CONTRACTOR AGREEMENT, ASSIGNMENT & CONSENT

This GENERAL CONTRACTOR AGREEMENT, ASSIGNMENT & CONSENT is entered into as of the ____ day of _____, 20__ (this “Agreement”) by and among [MORTGAGOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR’S ADDRESS] (the “Mortgagor”) and [GENERAL CONTRACTOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [_____] (the “General Contractor”), to and for the benefit of CONNECTICUT HOUSING FINANCE AUTHORITY, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the “Mortgagee”).

WHEREAS, Mortgagor, as the owner of certain real property known as [DEVELOPMENT NAME], located at [DEVELOPMENT ADDRESS] (the “Property”, and together with the improvements thereon, being referred to hereinafter as the “Development”), has applied to Mortgagee for a first loan in the amount of up to [CONSTRUCTION LOAN AMOUNT WORDS] [CONSTRUCTION LOAN AMOUNT DOLLARS] (the “Construction Loan”) and up to [PERMANENT LOAN AMOUNT WORDS] [PERMANENT LOAN AMOUNT DOLLARS] (the “Permanent Loan”; the Construction Loan and the Permanent Loan, collectively, the “Loan”), as evidenced by certain loan documents by and between Mortgagor and Mortgagee (collectively, the “Loan Documents”), to aid Mortgagor in financing the construction, renovation and/or rehabilitation of a multifamily rental housing development for persons of low and moderate income, pursuant to the provisions of the Connecticut Housing Finance Authority Act (the “Act”), Chapter 134 of the Connecticut General Statutes (“C.G.S.”), as amended, identified as CHFA Loan No. [CHFA LOAN NUMBER];

WHEREAS, General Contractor has executed a certain general construction contract with Mortgagor dated [_____, 20__ (together with extensions, modifications, amendments and renewals thereto, the “Contract”) for the construction, renovation and/or rehabilitation of the Development, the terms of which are incorporated herein by reference thereto, and there are no other agreements between Mortgagor and General Contractor relating to the Development; and

WHEREAS, the making of the Loan by the Mortgagee is conditioned on Mortgagor and General Contractor executing and agreeing to abide by the terms of this Agreement.

NOW, THEREFORE, in consideration of the Mortgagee making the Loan, Mortgagor and General Contractor making the covenants and agreements set forth herein, and during the term of the Contract, it is hereby agreed by the parties hereto as follows:

I. MINORITY HIRING VERY LOW-INCOME CONSTRUCTION EMPLOYMENT STANDARDS.

(a) Purpose. Mortgagor shall require that all contracts and subcontracts for construction, renovation and/or rehabilitation of the Development be subject to the standards, policies and procedures specified herein for the purpose of achieving full equal employment opportunities at the Development.

Mortgagor and General Contractor shall utilize their best efforts to fulfill the purpose and intent of this Agreement.

(b) Definitions. For purposes of this Agreement, the following terms are defined as follows:

“Minority”: (i) African-Americans, including all persons having origins in any of the Black African racial groups not of Hispanic origin; (ii) Hispanic Americans, including all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, and all persons having origins in the Iberian Peninsula, including Portugal, regardless of race; (iii) Women; (iv) Asian Pacific Americans and Pacific Islanders; or (v) American Indians and persons having origins in any of original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

“Job Classification”: The level of accomplishment or status of the worker in a trade (e.g., journeyman, helper, apprentice, trainee, etc.).

“Minority Newspaper”: A newspaper owned, operated, or controlled by persons of a Minority group or serving primarily the Minority community.

“Minority Contractor or Subcontractor or Minority Business Enterprise”: Any contractor (i) fifty-one percent or more of the capital stock, if any, or assets of which are owned by a person or persons: (A) who is (are) active in the daily affairs of the enterprise; (B) who has (have) the power to direct the management and policies of the enterprise; and (C) which is/are members of a Minority, (ii) who is an individual with a disability, or (iii) who is a non-profit corporation in which fifty-one percent or more of the members who are: (A) active in the daily affairs of the enterprise; and (B) have the power to direct the management and policies of the enterprise are members of a Minority or individuals with a disability.

“VLIE Policy”: The Very Low-Income Construction Employment Policy adopted by the Board of Directors of the Mortgagee on July 29, 2010 (as such may be amended from time to time) requiring applicants for Mortgagee-funded multifamily mortgage loans and/or Low-Income Housing Tax Credits (“LIHTCs”), administered by the Mortgagee, to make Good Faith Efforts (as defined below) to hire or train, or cause to be hired or trained, Very Low-Income Residents (as defined below) from the Metropolitan Statistical Area in which the Development is located.

“Very Low-Income Residents” shall mean those qualified under Section 3 of the Federal Housing and Community Development Act of 1968 as administered by the United States Department of Housing and Urban Development.

“Good Faith Efforts” shall mean those identified by the Mortgagee in **Exhibit A – Part I** attached hereto (as amended from time to time).

(c) VLIE Policy Compliance. During the construction, renovation and/or rehabilitation of the Development, Mortgagor shall provide documentation to the Mortgagee in such form and containing such content as the Mortgagee may require describing actions undertaken by General Contractor to comply with the VLIE Policy, if applicable.

(d) Affirmative Action. During the performance of the Contract, General Contractor shall: (i) not discriminate in any manner prohibited by the laws of the United States or of the State of Connecticut; (ii) not discriminate against any employee or applicant for employment because of race, creed, color, national origin or ancestry, sex, marital status, age, sexual orientation, genetic information, learning disability, present or past history of mental disability, mental retardation, or physical disability (subject to Section 46a-60 of the C.G.S.), or other classification(s) protected by state or federal law in connection with work under the Contract and the aforesaid provisions shall include, but not be limited to, advertising; recruitment; layoff; termination; rates of pay or other forms of compensation; conditions or privileges of employment; and selection for apprenticeship; (iii) abide by the provisions of Executive Order 11246 (the “Order”) and incorporate the Order in all nonexempt contracts entered into by General Contractor; (iv) post on the Development’s site in conspicuous places, available to employees and applicants for employment, notices provided by the Mortgagee citing C.G.S. Section 8-265c; (v) undertake affirmative action measures designed to eliminate any discriminatory barriers in the terms and conditions of employment and to eliminate and remedy any effects of past discrimination and such affirmative action shall entail positive and reasonable measures to ensure equal opportunity in hiring, upgrading, demotion, transfer, recruitment, layoff, termination, rate of compensation, and in-service and apprenticeship training programs; and (vi) abide by the requirements of the VLIE Policy, if the contract price stated in the Contract equals or exceeds \$1,000,000.00.

(e) Minority Subcontractors. General Contractor shall take affirmative action to hire Minority subcontractors at the Development and shall notify Minority Newspapers and Minority contractor associations of all products and services for which General Contractor intends to contract. In all pre-Contract contacts between General Contractor and subcontractor or supplier either for work to be performed under a subcontract or for materials or equipment, General Contractor will notify each subcontractor or supplier, in writing, of General Contractor’s obligations under this Agreement. This Agreement shall be included in and made a part of all contracts and subcontracts relating to the Development.

(f) Affirmative Action Plan. (i) General Contractor shall submit to the Mortgagee, in a form satisfactory to Mortgagee, an Affirmative Action Plan (the “Affirmative Action Plan”) for the recruitment and employment of Minority journeymen, apprentices, trainees, and helpers, which Affirmative Action Plan shall be a program of reasonable outreach and shall describe the purpose, goals, and objectives of General Contractor’s equal employment opportunity policy, as well as detail the affirmative action program which General Contractor will follow for the Development and shall indicate that General Contractor will require affirmative action for equal employment opportunity from its subcontractors, and General Contractor shall be responsible for its subcontractors’ compliance with this Agreement; (ii) the Mortgagee shall provide informal technical and informational assistance to Minority resources upon request by General Contractor or any subcontractor; and (iii) the Affirmative Action Plan shall set forth specific affirmative action steps to be taken by General Contractor directed at increasing Minority employment, which steps shall be at least as extensive and specific as the following:

- (1) notify Minority recruitment sources and community organizations, in writing, that General Contractor has employment opportunities available and shall maintain records of the organizations’ responses.

- (2) in hiring Minority journeymen, helpers, apprentices, and trainees (where applicable), advertise in Minority Newspapers, as well as utilize other available resources.
- (3) maintain a file of the names and addresses of Minority workers referred to General Contractor, what action was taken with respect to each such referred worker, and the reasons therefor. If such worker was not employed by General Contractor, General Contractor's file shall document this and the reasons therefor.
- (4) promptly notify the Mortgagee when (A) any union or unions with which General Contractor has a collective bargaining agreement have not referred to General Contractor a Minority worker sent by General Contractor or (B) General Contractor has other information that the union referral process has impeded General Contractor in efforts to meet its goals.
- (5) participate in training programs including apprenticeship, trainee, and journeyman programs.
- (6) disseminate its affirmative action/equal employment opportunity policy within its own organization by including such policy in any policy manual; by publicizing it in firm publications, e.g., newspaper(s), newsletter(s), and annual report(s); by conducting meetings to explain and discuss the policy; by posting the policy in conspicuous places on the Development site; and by specific review of the policy with employees.
- (7) disseminate its affirmative action/equal employment opportunity policy externally by informing and discussing it with all recruitment sources; by advertising in Minority Newspapers; and by notifying and discussing it with all subcontractors and suppliers with whom General Contractor does or anticipates doing business.
- (8) make specific recruitment efforts directed at Minority organizations, schools with Minority students, Minority recruitment organizations, and Minority training organizations within General Contractor's recruitment area.
- (9) make efforts to encourage present Minority employees to recruit others.
- (10) validate all tests and other selection requirements which adversely affect the opportunities of Minorities by showing that such requirements are relevant to performance on the job(s) in question.
- (11) use its best efforts to make available after-school, summer, and vacation employment for Minority youth.

- (12) use good faith efforts to develop on-the-job training opportunities and participate and assist in the development of off-site Minority training programs.
- (13) evaluate all Minority personnel for promotional opportunities and encourage Minority employees to seek such opportunities.
- (14) assure that seniority practices, Job Classifications, craft categories, and promotion procedures do not have a discriminatory effect.
- (15) assure that all firm facilities and activities are non-segregated.
- (16) monitor all personnel activities to assure that its Affirmative Action Plan is being carried out.
- (17) require that all subcontractors affirm, in writing, their commitment to affirmative action in employment.
- (18) if applicable to the construction, renovation and/or rehabilitation work to be performed at the Development, undertake Good Faith Efforts to (A) employ and (B) require subcontractor(s) to employ Very Low-Income Residents of the Metropolitan Statistical Area in which the Development is located.

(g) General Contractor shall complete an Employment Utilization Report on Form cc-257 or other form(s) furnished by the Mortgagee and signed by a responsible official of the General Contractor and shall file such reports with the Mortgagee quarterly during the term of the Contract. These reports shall include the total work-hours worked for each employee level in each designated trade for the entire reporting period. General Contractor shall submit a report for its aggregate work force at the Development and shall collect and submit to the Mortgagee reports for each subcontractor's aggregate work force at the Development.

(h) General Contractor shall provide all information and reports reasonably required by Mortgagor or the Mortgagee and shall permit access to its facilities and any books, records, accounts, and other sources of information which may be determined by the Mortgagee which relate to the employment of personnel at the Development after notice and during normal business hours. Where required information is in the exclusive possession of another who fails or refuses to furnish this information, General Contractor shall so certify to Mortgagor and/or the Mortgagee as appropriate and shall set forth what efforts it has made to obtain the information.

(i) General Contractor shall submit and certify the following information to the Mortgagee, as and when requested by the Mortgagee:

- (i) An Affirmative Action Plan;
- (ii) A list of the Minority subcontractor and Minority contractor associations contacted by General Contractor in the process of selecting subcontracts;
- (iii) The amount of each estimate accepted or rejected;

- (iv) The amount of each Minority Contractor's estimate;
- (v) The reason for declining any Minority Contractor's estimate; and
- (vi) Activities undertaken by General Contractor to satisfy the requirements of the VLIE Policy in accordance with the reporting requirements attached hereto and made a part hereof as **Exhibit A – Part II** and incorporated by reference herein (as modified from time to time).

(j) General Contractor shall provide the Connecticut Commission on Human Rights and Opportunities with information requested thereby, e.g., as required by C.G.S. Sections 4a-60 and 4a-60a, as amended.

II. COMPLIANCE.

(a) Whenever the Mortgagee believes General Contractor or any subcontractor may not be in compliance with the terms of this Agreement, the Mortgagee may investigate and confer with the parties hereto and such subcontractor(s).

(b) If the Mortgagee finds General Contractor and/or any subcontractor(s) not in compliance with this Agreement, it shall notify Mortgagor and General Contractor and/or subcontractor(s) in writing of the area(s) of noncompliance and of the step(s) that will, in the judgment of the Mortgagee, bring General Contractor or subcontractor into compliance. Neither General Contractor nor any subcontractor shall be found to be in noncompliance solely on account of failure to meet its goals within its timetables, but General Contractor or such subcontractor(s) shall be given the opportunity to demonstrate that it has instituted specific affirmative action steps such as those specified in this Agreement and has made Good Faith Effort to work toward the attainment of its Minority manpower and the VLIE Policy goals for work performed pursuant to the Contract.

(c) Any finding made by the Mortgagee under this section may be appealed to the Mortgagee. No sanction may be imposed by the Mortgagee during the pendency of such appeal. The aggrieved party shall have the right to a full and fair hearing on such appeal and shall have the opportunity to demonstrate his or her Good Faith Efforts to comply with this Agreement.

(d) If General Contractor or subcontractor fails or refuses to fully and timely comply with this Agreement, the Mortgagee shall recommend to Mortgagor the imposition of one or more of the sanctions listed below. Within fourteen (14) days of the receipt of the Mortgagee's recommendation(s), Mortgagor shall impose one or more of the following sanctions as it may deem reasonably appropriate to attain full and effective enforcement: (i) the suspension of any payment or part thereof due under the Contract; or (ii) the termination or cancellation of the Contract, in whole or in part; or (iii) be empowered to impose the sanctions of debarment, suspension, or ineligibility with regard to participation in any other development involving Mortgagee-provided mortgage loan financing and/or LIHTCs administered by the Mortgagee.

(e) If at any time after the imposition of one or more of the above sanctions, General Contractor or subcontractor is able to demonstrate to the satisfaction of the Mortgagee that it is in compliance with this Agreement, Mortgagor and Mortgagee, as applicable, shall terminate such sanction.

(f) Notwithstanding anything to the contrary stated in this Agreement, if General Contractor shall fail to comply with the requirements of the VLIE Policy, if applicable as determined by the Mortgagee, then (i) Mortgagor and the principals of Mortgagor, as determined by the Mortgagee, (and sponsoring entity of Mortgagor, if applicable) may be barred for a period of twelve (12) months from applying to the Mortgagee for multifamily financing and LIHTCs, and (ii) General Contractor and the principals of the General Contractor, as determined by the Mortgagee, may be barred for a period of twelve (12) months from performing construction, renovation and/or rehabilitation work on projects for which funding has been provided by Mortgagee multifamily financing and/or by LIHTCs administered by the Mortgagee.

(g) A default by Mortgagor under this Agreement is an Event of Default (as defined in the Loan Documents).

III. ASSIGNMENT OF CONSTRUCTION CONTRACT & PROJECT DOCUMENTS.

(a) Mortgagor hereby grants, transfers, assigns and delivers unto Mortgagee, its successors and assigns, all of its right, title, and interest in and to the Contract and such assignment is made as additional security for the performance by Mortgagor of the obligations under the Loan Documents, and shall terminate when all sums due Mortgagee under the Loan Documents are paid in full. Until the occurrence of an Event of Default (as defined in the Loan Documents), beyond any grace period applicable thereto, Mortgagor shall be entitled to enjoy and enforce all of its rights under the Contract. Mortgagor shall faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement in the Contract to be performed by it and shall enforce performance by the other party thereto of each and every obligation, covenant, condition and agreement to be performed by such other party. Mortgagee shall not be obligated to perform or discharge nor does it undertake to perform or discharge any obligation, covenant, condition, agreement, duty, or liability under the Contract, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless for any and all liability, loss, cost, charge, suit, obligation, fee, penalty, payment, expense or damage (including, without limitation, reasonable attorneys' fees and any other legal costs and expenses) (collectively, the "Losses") which Mortgagee may incur under the Contract or under or by reason of this Agreement, and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligation or undertaking on its part to be performed or discharged under or arising out of any of the terms, covenants, conditions or agreements contained in the Contract. Should Mortgagee incur any such Losses under the Contract or under or by reason of this assignment or in the defense of any such Losses, Mortgagor shall immediately, on demand, reimburse Mortgagee for the amount thereof and any Losses (including all costs, expenses, and reasonable attorneys' fees) incurred by Mortgagee in connection therewith and in connection with enforcing this obligation.

In the event of an Event of Default (continuing beyond any applicable grace period) under any of the Loan Documents, Mortgagee, having given written notice to General Contractor of its intention to do so (the "Notice", and the date of such notice being referred to as the "Notice Date"), shall be entitled (but not obligated) then and thereafter to enjoy and enforce all of the rights and privileges of Mortgagor under the Contract and may perform from the Notice Date the remaining obligations of Mortgagor in connection therewith, provided that nothing herein shall make Mortgagee liable for any obligations or liabilities incurred or suffered by Mortgagor prior to the Notice Date, whether to General Contractor or to any other party, except for requisitions submitted prior to the default and change orders not yet paid or accepted.

(b) The Mortgagor hereby grants, transfers, assigns and delivers to Mortgagee all the right, title and interest of the Mortgagor in and to the following documents and all of Mortgagor's rights thereunder now existing or hereafter arising: (i) any contract or agreement currently in effect or to be executed by the Mortgagor after the date hereof, between the Mortgagor and any person or entity relating to the construction, renovation and/or rehabilitation of the Improvements (as defined in the Mortgage), together with any and all extensions, modifications, amendments and renewals thereof; and (ii) all contracts and subcontracts, together with any and all extensions, modifications, amendments and renewals thereof, which are now or hereafter entered into by the Mortgagor or any person or entity in connection with the performance of the work or the supply of the materials required for the construction, renovation and/or rehabilitation of the Improvements or the acquisition of the Land or the operation or sale of the Development or any part thereof; and (iii) all building permits, governmental permits, licenses, approvals, consents, waivers, orders, agreements, acknowledgments and authorizations now or hereafter issued and all trade names, trademarks and logos used in connection with the construction, renovation, rehabilitation, development or operation of the Development; and (iv) any agreements currently in effect or to be executed by the Mortgagor after the date hereof, between the Mortgagor and any architect, surveyor, engineer or other professional relating to the design, site work, traffic, planning, construction, renovation, rehabilitation or operation of the Improvements or the Development, together with any extensions, modifications, amendments and renewals thereof; and (v) all Plans (as defined in the Loan Documents) for the construction, renovation and/or rehabilitation of the Improvements in existence from time to time, and all architectural and engineering work product, together with all revisions and modifications thereof and all drawings and notes related thereto; and (vi) all guarantees, warranties and other undertakings covering the quality or performance of the work or the quality of the materials required by the contracts, subcontracts, architect's agreements, engineer's agreements or other agreements relating to the Development; and (vii) any and all warranties covering all appliances, equipment, machinery, fixtures, furniture, furnishings, goods and other items of collateral under the Loan Documents, including but not limited to, all manufacturer's warranties; and (viii) the agreement between Mortgagor and [ARCHITECT] for the Development; and (ix) the Contract; and (x) ***[reference may be made to any additional specific contracts to be assigned]***. The items referred to in paragraphs (i) through [()] above are sometimes hereinafter collectively referred to as the "Project Documents". This assignment of Project Documents is given for the purpose of securing the payment of all sums, including without limitation, the payment of principal and interest due under the Loan Documents, now or at any time due Mortgagee, and any extensions, modifications, amendments and renewals thereof, and the performance and discharge of the obligations, covenants, conditions and agreements of the Mortgagor contained herein and in the Loan Documents; *provided, however*, that unless and until Mortgagee shall have exercised its rights hereunder after the occurrence of an Event of Default (as defined in the Mortgage) with respect to any of the Loan Documents in accordance with the terms thereof, the Mortgagor shall retain all rights and liabilities under each of the Project Documents, subject to the restrictions set forth herein and in the Loan Documents. In the event of an Event of Default (continuing beyond any applicable grace period) under any of the Loan Documents, Mortgagee shall be entitled (but not obligated) then and thereafter to enjoy and enforce all of the rights and privileges of Mortgagor under the Project Documents and may perform the remaining obligations of Mortgagor in connection therewith, *provided, however*, that nothing herein shall make the Mortgagee liable for any obligations or liabilities incurred or suffered by Mortgagor prior to the date Mortgagee so enjoys or enforces such Project Document.

IV. GENERAL CONTRACTOR'S CONSENT & CERTIFICATION
CONCERNING LABOR STANDARDS AND PREVAILING WAGES.

(a) General Contractor hereby consents to the granting, transfer, assignment and delivery to Mortgagee by Mortgagor of all of Mortgagor's right, title and interest in and to the Contract. In doing so, General Contractor specifically waives all provisions in the Contract, if any, which prohibit the making of such grant, transfer, assignment and delivery by Mortgagor.

(b) General Contractor (i) is not entitled to any offset, claim or defense under the Contract, and (ii) has received no notice and has no knowledge of any default under the Contract or of any event which with the passage of time would constitute such a default or of any prior granting, transfer, assignment and delivery of Mortgagor's right, title and interest under the Contract. The Contract will not be modified, amended, or terminated without the prior written consent of Mortgagee.

(c) General Contractor shall provide to Mortgagee, promptly, without cost, and upon Mortgagee's request, copies of all studies, reports, files, analyses, drawings, plans and other materials held by General Contractor relating to the Development. Mortgagee shall have an absolute right to use all drawings, plans and/or specifications and other materials prepared by or for the General Contractor with respect to the Development, without charge, cost or expense to Mortgagee.

(d) If Mortgagor defaults in making any payment or in performing any other obligation under the Contract, General Contractor shall give Mortgagee written notice promptly thereof. If General Contractor learns of any default in payment due to any subcontractor or other person supplying labor or materials to the Development, General Contractor similarly shall notify Mortgagee thereof in writing. General Contractor shall not terminate the Contract due to a default by Mortgagor, *provided, that*, Mortgagee cures such default within sixty (60) days after receipt by Mortgagee of the written notice required by this Section, and further, *provided, that* (i) if curing such default cannot by its nature be accomplished within such sixty (60) day period, Mortgagee shall have such longer period to cure the default as is necessary, so long as Mortgagee shall have commenced to cure the default within such sixty (60) day period and shall thereafter diligently prosecute the same to completion, (ii) Mortgagee shall have no duty or obligation to cure any such default by Mortgagor, and (iii) General Contractor may, after at least five (5) business days' notice to Mortgagee, stop work on account of non-payment. No termination, pledge, transfer or assignment of the Contract by Mortgagor shall be effective without the prior written consent of Mortgagee.

(e) Upon receipt of written notice from Mortgagee of an Event of Default, General Contractor shall continue performance on Mortgagee's behalf under the Contract, *provided, that*, notwithstanding anything in the Contract or herein to the contrary, (i) no default by Mortgagor under the Contract exists which materially impairs the ability of the General Contractor to efficiently perform its work and obligations under the Contract, which default is not cured by Mortgagee within the time period set forth in this Section, (ii) the Contract has not been terminated pursuant to this Section, and (iii) the Mortgagee has provided General Contractor with its written agreement: (A) to make all periodic payments and other payments which become due to the General Contractor after the date of such agreement in accordance with and subject to the terms of the Contract, (B) to pay to the General Contractor all retainage in accordance with and subject to the terms of the Act and other applicable statutes, the Contract and the Loan Documents, and (C) to assume all obligations of Mortgagor under the Contract which arise on or after the date of such agreement.

(f) General Contractor hereby expressly subordinates, to the extent of all sums advanced under the Loan Documents, all contractual, statutory and other mechanics' liens, materialmen's liens or liens to which General Contractor may be or become entitled to the lien(s) of Mortgagee on the Development.

(g) Except as provided herein, nothing herein shall be construed to impose upon Mortgagee any duty to see to the application of the proceeds of the Loan. General Contractor acknowledges that Mortgagee is obligated only to Mortgagor and to no other person or entity. The rights of Mortgagee hereunder are for the benefit of Mortgagee only, and its successors and assigns, and Mortgagor agrees that it has no rights, entitlement or standing to require or enforce any such limiting condition against General Contractor. General Contractor is executing this Agreement to induce Mortgagee to advance funds under the Loan Documents, and General Contractor understands that Mortgagee would not do so but for General Contractor's execution and delivery of this Agreement. General Contractor acknowledges that it will obtain substantial financial benefit from the making of the Loan to Mortgagor and that a portion of the Loan proceeds are intended to be used by Mortgagor to satisfy Mortgagor's obligations under the Contract.

(h) General Contractor hereby certifies that it will (i) pay wages in accordance with all applicable federal, state and local statutes and regulations regarding labor standards and prevailing wage rates and (ii) comply with all applicable reporting requirements throughout the period of construction, renovation and/or rehabilitation of the Development.

(i) General Contractor acknowledges that the Mortgagee has standards of design and construction as set out in the Mortgagee's Multifamily Design, Construction and Sustainability Standards dated January 1, 2015 (the "Standards") and that General Contractor has been provided with a copy of such Standards. General Contractor acknowledges and agrees that all design and construction in connection with the Development shall be performed in accordance with the Standards and that Mortgagee is relying upon this acknowledgement, agreement and certification and could be harmed if the same is incomplete or incorrect.

V. NOTICE.

Any notice or other communication in connection with this Agreement shall be in writing and (a) deposited in the United States mail, postage prepaid, by registered or certified mail; or (b) hand delivered by any commercially recognized courier service or overnight delivery service, such as FedEx; or (c) sent by facsimile transmission if a fax number is designated below, addressed to the addressees as set forth herein. Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above. A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address; or (iii) if facsimile transmission is a permitted means of giving notice, upon receipt as evidenced by confirmation. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to

receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

VI. MISCELLANEOUS.

(a) Mortgagor and General Contractor hereby agree that neither Mortgagor nor General Contractor: (i) have been cited for three (3) or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three (3) years immediately preceding the date hereof, which violation(s): (A) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, (B) was not abated within the time fixed by the citations, and (C) such citation has not been set aside; and (ii) have received one or more criminal convictions related to the injury or death of any employee in such three (3) year period.

(b) Mortgagor and General Contractor agree to comply with the Civil Rights Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor and General Contractor also agree to comply with Section 4a-60 of the C.G.S., and Section 4a-60a of the C.G.S., and Section 4-61dd of the C.G.S., incorporated herein by reference.

(c) The invalidity of any provision of this Agreement shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Agreement which shall continue in full force and effect as if such invalid provision had never been included herein. The terms, provisions, and covenants of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors, and assigns. The masculine form as used herein shall include the feminine and neuter forms where necessary. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut and federal law, where applicable. Time is of the essence. Mortgagor and General Contractor warrant and represent that each has duly authorized the execution and performance of this Agreement and that the person or persons whose signature(s) appear below is(are) authorized to sign this Agreement on behalf of Mortgagor and General Contractor, respectively. This Agreement may be executed in counterparts. False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

WHEREFORE, the parties hereto have hereunto set or caused to be set their respective hands and seals as of the date first above mentioned.

[MORTGAGOR]

By: [_____]
Its [_____]

By: _____
Name:
Title:
Duly Authorized

[GENERAL CONTRACTOR]

By: _____
Name:
Title:
Duly Authorized

As to Sections I(f), II & V only:

**CONNECTICUT HOUSING
FINANCE AUTHORITY**

By: _____
Name:
Title:
Duly Authorized

Exhibit A [Part I & II]

[Good Faith Efforts/Reporting Requirements]

[CHFA LOAN NUMBER]

[DEVELOPMENT NAME]

General Contractor Agreement, Assignment & Consent

Form Revision Date: 4/27/16

AMENDMENT TO ARCHITECT AGREEMENT

This AMENDMENT TO ARCHITECT AGREEMENT (the “Amendment”) dated _____, 20__ is made by and between [ARCHITECT], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [_____] (the “Architect”) and [MORTGAGOR], a [LEGAL ENTITY TYPE] organized and existing under the laws of the State of [STATE OF FORMATION] with an office and principal place of business at [MORTGAGOR’S ADDRESS] (“Mortgagor”).

R E C I T A L S:

WHEREAS, Architect and Mortgagor entered into a certain Agreement dated [_____, 20__ (the “Agreement”), a copy of which is attached hereto as **Exhibit A** and made a part hereof, relating to a multifamily rental housing development known as [DEVELOPMENT NAME] located at [DEVELOPMENT ADDRESS] (the “Development”);

WHEREAS, the Connecticut Housing Finance Authority (the “Mortgagee”) has agreed to make a first mortgage loan (the “Loan”) to Mortgagor secured by the Development by virtue of a certain Open-End Construction Mortgage Deed, Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith (the “Mortgage”), and certain other loan documents executed in connection therewith (collectively, the “Loan Documents”);

WHEREAS, as a condition to the making of the Loan, Mortgagee has required certain modifications to the Agreement.

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

1. Architect’s certification(s) evidencing its recent inspection and the acceptability of the work being done in connection with the construction, renovation and/or rehabilitation of the Development and certifications regarding the validity of requested payments shall be executed simultaneously with (a) Mortgagor’s requests to Mortgagee for advances of Loan proceeds, and (b) monthly progress reports.

2. Upon the occurrence of an Event of Default (as defined in the Mortgage), the plans, drawings and specifications accepted by the Mortgagee for the Development (the “Plans”) shall become the sole property of the Mortgagee without cost to the Mortgagee, except for so much of the Architect’s fee as shall be accepted by the Mortgagee, and which has not been advanced by the Mortgagee. If the Mortgagee acquires and determines to complete the Development, the Architect shall, upon request by the Mortgagee, continue to work with the Mortgagee to complete the Development, pursuant to the Agreement, and in such event the Mortgagee shall pay to the Architect the balance of the un-advanced Architect’s fee accepted by the Mortgagee.

3. As reasonably required by the Mortgagee, Architect shall inspect the Development for evidence of faulty materials and workmanship and failure to comply with the Plans. Landscaping and heating and cooling systems shall be inspected in appropriate seasons and the Development in general shall be inspected at or about the ninth (9th) month after substantial completion. Architect shall provide a copy of such inspection reports promptly to Mortgagee.

4. Architect and Mortgagor shall send to Mortgagee promptly a copy of any notice sent or received pursuant to the Agreement.

5. Architect shall provide to the Mortgagee, promptly without cost and upon request, copies of all reports, studies, files, drawings, and other materials relating to the Development, including, without limitation, the Plans. Upon substantial completion of the Development, as defined in the Agreement, the Architect shall provide to the Mortgagor and to the Mortgagee two (2) complete sets of “as built” plans, drawings and specifications. Also upon such substantial completion, Architect will certify to the Mortgagor and to the Mortgagee that to the best of its knowledge, information and belief, and on the basis of its professional observations and inspections, the work has been completed in accordance with the terms and conditions of the Agreement, and Architect will furthermore certify that:

(a) Architect was responsible for the observation and inspection of construction, renovation and/or rehabilitation of the Development in accordance with the Plans;

(b) The observations and inspections were performed by Architect or under Architect’s supervision with the frequency and thoroughness required by generally accepted standards of professional care and judgment;

(c) The Development has been completed in conformance with the Plans or with changes thereto accepted by the Mortgagee;

(d) The Development is in good and tenantable condition; and

(e) To the best of the Architect’s knowledge, information and belief, and on the basis of its professional observations and inspections, there are no defects or deficiencies in the Development except for ordinary punchlist items or incomplete work awaiting seasonal opportunity to complete. A list of such items shall be attached to the certification.

6. Architect acknowledges and agrees that: (a) all of Architect’s obligations under Sections 1 through 5 above shall be considered “Basic Services” under the Agreement, (b) Architect has been provided with a copy of Mortgagee’s standards of design and construction as set out in the Mortgagee’s Multifamily Design, Construction and Sustainability Standards dated January 1, 2015 (collectively, the “Standards”); (c) all design and construction in connection with the Development shall be performed in accordance with the Standards; and (d) Mortgagee is relying upon the acknowledgements, agreements and certifications herein and could be harmed if the same is incomplete or incorrect.

7. Architect shall maintain a policy or policies of professional liability insurance in an amount accepted by the Mortgagee which shall be for terms not less than one (1) year and shall provide at least thirty (30) days' written notice to the Mortgagee (via certified mail) prior to any endorsement, nonrenewal or cancellation, and shall continue in force for at least five years subsequent to the date of substantial completion of the construction, renovation and/or rehabilitation work at the Development. Architect represents to Mortgagor and the Mortgagee that all persons working for Architect maintain, and shall maintain during the term of the Agreement, all required professional licenses.

8. The Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut.

9. The invalidity of any provision of this Amendment shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remaining provisions of this Amendment, which shall continue in full force and effect as if such invalid provision(s) had never been included herein.

10. The terms, provisions, and covenants of this Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors, and assigns; provided, that neither Architect nor Mortgagor may assign its rights or obligations hereunder without the prior written consent of Mortgagee, which consent shall be in Mortgagee's sole discretion.

11. Any notice or other communication in connection with this Amendment shall be in writing and (a) deposited in the United States mail, postage prepaid, by registered or certified mail; or (b) hand delivered by any commercially recognized courier service or overnight delivery service, such as FedEx; or (c) sent by facsimile transmission if a fax number is designated below, addressed to the addressees as set forth on Page 1 hereof.

Architect: [_____]
Mortgagor: [_____]

Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above. A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address; or (iii) if facsimile transmission is a permitted means of giving notice, upon receipt as evidenced by confirmation. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

12. Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the addresses on Page 1 hereof, in writing and shall be deemed to have been duly given (a) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (b) when delivered, if delivered personally, (c) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (d) when sent, if sent by overnight mail or overnight courier, in each case with a copy to Connecticut Housing Finance Authority, 999 West Street, Rocky Hill, Connecticut 06067, Attn: Legal, and a copy (which shall not constitute notice) to General Counsel at the above address. Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

13. Except as amended herein, the Agreement is ratified and confirmed and has not been otherwise amended or modified to date.

14. This Amendment may be executed in counterparts.

15. All work beyond the scope of the original Agreement, as amended, will be authorized in writing in advance each month by a written change order issued by Mortgagor and approved by Mortgagee prior to commencement of work.

16. False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.

17. Mortgagor and Architect hereby agree that Mortgagor and Architect, and each of them, (a) have not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s) (i) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970 and (ii) was not abated within the time fixed by the citations and (iii) such citation has not been set aside, and (b) have not received one or more criminal convictions related to the injury or death of any employee in such three year period.

18. Mortgagor and Architect agree to comply with the Civil Rights Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor and Architect also agree to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, incorporated herein by reference.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

WHEREFORE, the parties have executed this Amendment to Architect Agreement as of the _____ day of _____, 20__.

MORTGAGOR:

[MORTGAGOR]

By: [_____] Its [_____]

By: _____

Name:
Title:
Duly Authorized

ARCHITECT:

[ARCHITECT]

By: _____

Name:
Title:
Duly Authorized

MORTGAGEE (as to Section 2 only):

CONNECTICUT HOUSING FINANCE AUTHORITY

By: _____

Name:
Title:
Duly Authorized

Exhibit A

[Architect Agreement]



SECRETARY OF THE STATE OF CONNECTICUT

MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, P.O. BOX 150470, HARTFORD, CT 06115-0470

DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY STREET, HARTFORD, CT 06106

STATE OF CONNECTICUT UCC-1 FINANCING STATEMENT

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 8 1/2 X 11 SHEETS IF NECESSARY.

FILING PARTY (CONFIRMATION WILL BE SENT TO THIS ADDRESS): CUSTOMER ID: NAME: Connecticut Housing Finance Authority ADDRESS: 999 West Street CITY: Rocky Hill STATE: Connecticut	FILING FEE: \$50 MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"
---	--

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1A OR 1B) - DO NOT ABBREVIATE OR COMBINE NAMES			
OR	1A. ORGANIZATION'S NAME <input style="width: 95%;" type="text"/>		
OR	1 B. INDIVIDUAL'S		
	SURNAME		
	FIRST PERSONAL NAME	MIDDLE	SUFFIX

1C. MAILING ADDRESS:			
ADDRESS: <input style="width: 90%;" type="text"/>			
CITY: <input style="width: 80%;" type="text"/>			
STATE: CT	ZIP: <input style="width: 50%;" type="text"/>	COUNTRY: USA	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2A OR 2B) - DO NOT ABBREVIATE OR COMBINE NAMES			
OR	2A. ORGANIZATION'S NAME <input style="width: 95%;" type="text"/>		
OR	2B. INDIVIDUAL'S		
	SURNAME		
	FIRST PERSONAL NAME	MIDDLE	SUFFIX

2C. MAILING ADDRESS:			
ADDRESS:			
CITY:			
STATE:	ZIP:	COUNTRY:	

3. SECURED PARTY NAME (OR NAME OF ASSIGNEE OF ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (3A OR 3B)

3A. ORGANIZATION'S NAME

Connecticut Housing Finance Authority

OR

3B. INDIVIDUAL'S

SURNAME

FIRST PERSONAL NAME

MIDDLE

SUFFIX

3C. MAILING ADDRESS:

ADDRESS: 999 West Street

CITY: Rocky Hill

STATE: CT

ZIP: 06067

COUNTRY: USA

4. THIS FINANCING STATEMENT COVERS THE FOLLOWING COLLATERAL:

All of the Debtor's assets, and any and all proceeds thereof, wherever located and whether now owned or hereafter acquired or arising.

5. CHECK ONLY IF APPLICABLE AND CHECK ONLY ONE BOX: COLLATERAL IS **HELD IN A TRUST (SEE UCC 1AD, ITEM 13 AND INSTRUCTIONS)** **BEING ADMINISTERED BY A DECEDENT'S PERSONAL REPRESENTATIVE.**

6. CHECK ONLY IF APPLICABLE AND CHECK ONLY ONE BOX:

Public-Finance Transaction

A Debtor is a Transmitting Utility

7. ALTERNATIVE DESIGNATION *(if applicable):*

8. OPTIONAL FILER REFERENCE DATA:

Filed with [_____] Secretary of State