

## GUARANTY AGREEMENT

**THIS GUARANTY AGREEMENT** (this "**Guaranty**") is made as of the \_\_\_ day of \_\_\_\_\_, 202\_\_, by [\_\_\_\_\_] [an individual/a limited liability company/corporation/partnership organized and existing under the laws of the State of [\_\_\_\_\_] with a [permanent residence and mailing address] at [\_\_\_\_\_] (the "**Guarantor**"), in favor of **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 ("**Lender**"), and its successors and assigns.

### RECITALS

**WHEREAS**, pursuant to the terms of certain Assistance Agreement by and between [\_\_\_\_\_] (the "**Borrower**") and Lender and dated as of [\_\_\_\_\_] (as amended, modified, restated, replaced or otherwise supplemented from time to time, the "**Assistance Agreement**"), Lender made a certain loan to Borrower in the maximum aggregate principal amount of up to [\_\_\_\_\_] and 00/100 Dollars (\$[\_\_\_\_\_] (the "**Loan**"), as evidenced by a Promissory Note of the Borrower dated of even date therewith in the maximum principal amount of up to [\_\_\_\_\_] and 00/100 Dollars (\$[\_\_\_\_\_] (as amended, modified, restated, replaced, consolidated, extended or otherwise supplemented from time to time, the "**Note**"), which Note is secured by, inter alia, an Open-End Mortgage Deed and Security Agreement dated of even date herewith (as amended, modified, restated, replaced, consolidated, extended or otherwise supplemented from time to time, the "**Mortgage**"), which Mortgage encumbers certain premises owned by the Borrower and being more particularly described therein (the "**Premises**"), and such other additional documents as required pursuant to the terms and conditions of the Assistance Agreement (which Assistance Agreement, Note, Mortgage and additional documents, as the same may have been amended from time to time prior to the date hereof, are collectively hereinafter referred to as "**Loan Documents**"); and

**WHEREAS**, as a condition to Lender making the Loan to Borrower, the Lender required certain guarantees guarantying the lien free completion of the Project (as defined in the Assistance Agreement) and the performance by Borrower of all of the covenants on its part to be performed and observed pursuant to the provisions thereof relating thereto, subject to certain limitations as set forth below; and

**WHEREAS**, Guarantor, as a direct or indirect owner or holder of beneficial ownership interests in the Borrower, will derive substantial benefit from the Lender's making the Loan to the Borrower; and

**WHEREAS**, the Borrower has or will execute and deliver the Assistance Agreement, the Note, Mortgage and all other Loan Documents.

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and as a material inducement to Lender to make the Loan to the Borrower, Guarantor hereby guarantees to Lender the prompt and full payment and performance of the indebtedness and obligations described below in this Guaranty, this Guaranty being upon the following terms and conditions:

1. **Guaranty.** Guarantor hereby irrevocably and unconditionally guarantees to Lender and its successors and assigns the payment and performance of the Guaranteed Obligations (as defined below) as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor.

As used herein, the term “**Guaranteed Obligations**” means:

(a) **RECOURSE** The punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, and at all times thereafter, of all principal, interest (including interest accruing after the commencement of any bankruptcy or insolvency proceeding by or against Borrower, whether or not allowed in such proceeding), fees, costs, expenses, indemnification indebtedness, attorneys’ fees, and other sums of money now or hereafter due and owing pursuant to (i) the terms of the Note, the Assistance Agreement, the Mortgage, and the other Loan Documents and any indemnifications contained in such Loan Documents, now or hereafter existing, and (ii) all renewals, extensions, refinancings, modifications, supplements or amendments of such indebtedness, or any of the Loan Documents, or any part thereof. This Guaranty covers the Indebtedness (as hereinafter defined) presently outstanding and the Indebtedness arising subsequent to the date hereof, including all amounts advanced by Lender in stages or installments. The Guaranty of Guarantor as set forth in this Section 1(a) is a continuing guaranty of payment and not a guaranty of collection.

(b) **COMPLETION** (i) that the Project will be completed as required by and contemplated in the Assistance Agreement, and in accordance with the requirements of the Assistance Agreement on or before the Required Completion Date (as defined in the Assistance Agreement) and that Borrower will promptly pay in full all bills for labor and materials in connection therewith; (ii) that Borrower will promptly pay in full and discharge all taxes, assessments and other charges of the type, nature or character described in Section 2 of the Mortgage prior to the day upon which the same shall become delinquent; and (iii) that Borrower will pay, at or before the times required by the Loan Documents, the premiums on all policies of insurance required to be maintained under the terms of the Loan Documents. If any of the obligations of Borrower with respect to the completion of the Project are not complied with, in any respect whatsoever, without the necessity of any notice from Lender to Guarantor, Guarantor agrees to (A) assume all responsibility for the lien-free completion of the Project and, at Guarantor’s own cost and expense, cause the Project to be fully completed on or before the Required Completion Date in accordance with the Assistance Agreement; (B) pay all bills in connection with the construction of the Project; and (C) indemnify and hold Lender harmless from any and all loss, cost, liability or expense that Lender may suffer by reason of any such non-compliance. So long as all of such obligations are being performed by Borrower or Guarantor and no Event of Default (as defined in the Assistance Agreement) exists and is continuing, Lender will make any remaining Loan proceeds available under and subject to the terms of the Assistance Agreement. If after the occurrence of any Event of Default, and without limiting any of the rights and remedies of Lender, Lender may, at its option, with notice to Guarantor, complete the Project either before or after commencement of foreclosure proceedings or before or after exercise of any other right or remedy of Lender against Borrower or Guarantor, with such changes or modifications in the plans as Lender deems necessary

and expend such sums as Lender, in its sole and absolute discretion, deems necessary or advisable to complete the Project, and Guarantor hereby waives any right to contest any such expenditures by Lender. The amount of any and all expenditures made by Lender for the foregoing purposes shall bear interest from the date made until repaid to Lender, at a rate per annum equal to the Default Rate (as defined in the Note) and, together with such interest and the amounts necessary to complete the Project in accordance with the requirements contained in the Assistance Agreement, shall be due and payable by Guarantor to Lender upon demand. Lender does not have and shall never have any obligation to complete the Project or take any such action. The obligations and liability of Guarantor under this paragraph shall not be limited or restricted by any other terms and provisions of this Guaranty.

(c) **BURNOFF TO CARVEOUT** Notwithstanding anything contained herein to the contrary, following the commencement of the Amortization Period (as defined in the Note), and provided that, at the time of the requested reduction in the guaranteed amount as specified below, the Property has reached Project Stabilization (as defined herein), then, upon Guarantor's written request to the Lender, the Guaranty shall be modified and limited so that Guarantor is liable solely for the following:

(i) the repayment of all costs, expenses, damages or losses incurred by the Lender, in connection with the enforcement of this Guaranty; plus

(ii) the repayment of all costs, expenses, damages or losses incurred by the Lender from and after the date hereof and directly or indirectly resulting from any of the following:

(A) failure to maintain or cause to be maintained any insurance policies required under the Mortgage, or to pay or provide or cause to be provided the amount of any insurance deductible, to the extent of the applicable deductible, following a casualty event or other insured event;

(B) the presence of hazardous waste or asbestos in, on or under the Property as set forth in a separate environmental indemnity to be signed by Guarantor;

(C) any security deposits or other refundable deposits collected with respect to the Property which are not delivered to the Lender upon a foreclosure of the Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the leases or rental agreements affecting the Property prior to the occurrence of an Event of Default under the Note, the Mortgage or any other Loan Documents that gave rise to such foreclosure or action in lieu thereof;

(D) the misapplication or conversion by Borrower of (1) any insurance proceeds paid by reason of any loss, damage or destruction to the Property, (2) any awards or other amounts received in connection with

the condemnation of all or a portion of the Property, or (3) any rents or other income from the Property;

(E) the breach of any representation, warranty, covenant or indemnification provision as set forth in a separate environmental indemnity signed by Guarantor or in the Mortgage concerning environmental laws, hazardous substances or asbestos;

(F) physical waste committed on the Property; damage to the Property as a result of the intentional misconduct or gross negligence of Borrower or any affiliate thereof, or any agent or employee of any such persons; or the removal of any portion of the Property in violation of the terms of the Loan Documents following an Event of Default; or

(G) to the extent that Borrower has retained (or distributed to members) rents or other income from the Property during the term of the Loan, prior to applying the rents or other income from the Property to the Indebtedness or operating expenses attributable to the Property (including but not limited to real estate taxes, insurance charges and utilities), with nothing herein preventing distribution of excess income by Borrower after Borrower has discharged its obligations for debt service and property expenses on a monthly basis; plus

(iii) all obligations of the Borrower pursuant to the Loan Documents upon the occurrence of any of the following events:

(A) the commission of any fraud, material misrepresentation, gross negligence or willful misconduct by Borrower, Guarantor or any of their respective partners, officers, principals, members, any other guarantor or any other person authorized to make statements or representations, or act, on behalf of Borrower or Guarantor in connection with the Loan;

(B) the Property or any part thereof or interest therein shall be encumbered by a voluntary lien in violation of the terms of the Loan Documents;

(C) the Premises or any part thereof or interest therein are transferred or conveyed, or the ownership interest of Borrower are transferred or conveyed in violation of the terms of the Loan Documents; or

(D) if the Property or any part thereof shall become an asset in either (1) a voluntary bankruptcy filing or insolvency proceeding, or (2) an involuntary bankruptcy proceeding which is commenced by the Guarantor or anyone related to the Guarantor or an entity owned or controlled by Guarantor and/or any relatives of Guarantor (collectively "Related Party") and the Guarantor or Related Party objects to a motion for relief from stay

or injunction following a voluntary or involuntary bankruptcy or insolvency proceeding.

The forgoing modification of this Guaranty shall not be effective or operative until such time as the Guarantor has requested the reduction of the guaranty in writing accompanied by evidence that the conditions specified in this Section 1(c) have been satisfied and the Lender has confirmed in writing that the Guarantor has qualified for the forgoing reduction in the Guaranteed Obligations. Notwithstanding anything to the contrary in the Note or any of the Loan Documents, Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the entire outstanding balance of the Loan secured by the Mortgage or to require that all collateral shall continue to secure all of the Loan owing to Lender in accordance with the Loan Documents.

(d) For purposes hereof “Project Stabilization” (“**Project Stabilization**”) shall be defined to mean the Project’s satisfaction of the following conditions: (i) maintaining a minimum average occupancy of \_\_\_\_\_ percent (\_\_\_\_%) for a period of twelve (12) consecutive months; (ii) maintaining a minimum Debt Service Coverage Ratio (as defined herein) of \_\_\_\_\_x on an amortizing basis as calculated by the First Mortgage Lender (as defined in the Assistance Agreement) for the immediately preceding twelve (12) months; (iii) no Event of Default or event, condition or occurrence which with the passage of time or giving of notice or both, would constitute an Event of Default then exists under the Loan; and (iv) the “**Guaranty Burn-Off Conditions**” have been satisfied in accordance with that certain Guaranty dated as of even date herewith made by Guarantor in favor of First Mortgage Lender.

For purposes hereof, “**Debt Service Coverage Ratio**” shall mean the quotient expressed as a percentage of Net Operating Income (as defined herein) divided by the aggregate annualized proposed debt service payable to the First Mortgage Lender (as defined in the Assistance Agreement) under the First Mortgage Lender loan documents and the permanent loan debt service payable to Lender pursuant to the Loan Documents.

For purposes hereof, “**Net Operating Income**” shall mean the result of the following calculation, undertaken by Lender in the exercise of reasonable judgment: (a) all rental revenue actually received by Borrower from tenants under leases and agreements in place at the Property during the trailing six (6) months, annualized, less (b) the greater of: (i) the trailing 6-months annualized expenses adjusted for actual real estate tax expense, a minimum management fee of 3% and replacement reserves of \$250/unit; or (ii) Borrower’s proforma stabilized expenses inclusive of a minimum management fee of 3% and replacement reserves of \$250/unit; or (iii) stabilized expenses, as concluded by a recent appraisal acceptable to Lender.

2. Primary Liability of Guarantor.

(a) This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance. Guarantor shall be liable for the payment and performance of the Guaranteed Obligations, as set forth in this Guaranty, as a primary obligor. This Guaranty shall be effective as a waiver of, and Guarantor hereby expressly waives, any and all rights to which Guarantor may otherwise have been entitled under any suretyship laws in effect from time to time.

(b) In the Event of Default by Borrower in payment or performance of the Guaranteed Obligations, or any part thereof, when such indebtedness or performance becomes due, either by its terms or as the result of the exercise of any power to accelerate, Guarantor shall, on demand and without presentment, protest, notice of protest, further notice of nonpayment or of dishonor or of default or nonperformance, or notice of acceleration or of intent to accelerate, or any other notice whatsoever, without any notice having been given to Guarantor previous to such demand of the acceptance by Lender of this Guaranty, and without any notice having been given to Guarantor previous to such demand of the creating or incurring of such indebtedness or of such obligation to perform, all such notices being hereby waived by Guarantor, pay the amount due thereon to Lender or perform or observe the agreement, covenant, term or condition, as the case may be, and it shall not be necessary for Lender, in order to enforce such payment or performance by Guarantor, first to institute suit or pursue or exhaust any rights or remedies against Borrower or others liable on such indebtedness or for such performance, or to enforce any rights against any security that shall ever have been given to secure such indebtedness or performance, or to join Borrower or any others liable for the payment or performance of the Guaranteed Obligations or any part thereof in any action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations.

(c) Suit may be brought or demand may be made against all parties who have signed this Guaranty or any other guaranty covering all or any part of the Guaranteed Obligations, or against any one or more of them, separately or together, without impairing the rights of Lender against any party hereto. Any time that Lender is entitled to exercise its rights or remedies hereunder, it may in its discretion elect to demand payment and/or performance. If Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Guaranteed Obligations have been paid and performed in full. If Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Guaranteed Obligations have been paid and performed in full.

3. Certain Agreements and Waivers by Guarantor.

(a) Guarantor hereby agrees that neither Lender's rights or remedies nor Guarantor's obligations under the terms of this Guaranty shall be released, diminished, impaired, reduced or affected by any one or more of the following events, actions, facts,

or circumstances, and the liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of:

(i) any limitation of liability or recourse in any other Loan Document or arising under any law;

(ii) the taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligations;

(iii) any release, surrender, abandonment, exchange, alteration, sale or other disposition, subordination, deterioration, waste, failure to protect or preserve, impairment, or loss of, or any failure to create or perfect any lien or security interest with respect to, or any other dealings with, any collateral or security at any time existing or purported, believed or expected to exist in connection with any or all of the Guaranteed Obligations, including any impairment of Guarantor's recourse against any person or collateral;

(iv) whether express or by operation of law, any partial release of the liability of Guarantor hereunder, or if one or more other guaranties are now or hereafter obtained by Lender covering all or any part of the Guaranteed Obligations, any complete or partial release of any one or more of such guarantors under any such other guaranty, or any complete or partial release of Borrower or any other party liable, directly or indirectly, for the payment or performance of any or all of the Guaranteed Obligations;

(v) the death, insolvency, bankruptcy, disability, dissolution, liquidation, termination, receivership, reorganization, merger, consolidation, change of form, structure or ownership, sale of all assets, or lack of corporate, partnership or other power of Borrower or any other party at any time liable for the payment or performance of any or all of the Guaranteed Obligations;

(vi) either with or without notice to or consent of Guarantor, any renewal, extension, modification or rearrangement of the terms of any or all of the Guaranteed Obligations and/or any of the Loan Documents, including, without limitation, material alterations of the terms of payment (including changes in maturity date(s) and interest rate(s)) or performance or any other terms thereof, or any waiver, termination, or release of, or consent to departure from, any of the Loan Documents or any other guaranty of any or all of the Guaranteed Obligations, or any adjustment, indulgence, forbearance, or compromise that may be granted from time to time by Lender to Borrower, Guarantor, and/or any other person or entity at any time liable for the payment or performance of any or all of the Guaranteed Obligations;

(vii) any neglect, lack of diligence, delay, omission, failure, or refusal of Lender to take or prosecute (or in taking or prosecuting) any action for the collection or enforcement of any of the Guaranteed Obligations, or to foreclose or take or prosecute any action to foreclose (or in foreclosing or taking or prosecuting any action to foreclose) upon any security therefor, or to exercise (or in exercising)

any other right or power with respect to any security therefor, or to take or prosecute (or in taking or prosecuting) any action in connection with any Loan Document, or any failure to sell or otherwise dispose of in a commercially reasonable manner any collateral securing any or all of the Guaranteed Obligations;

(viii) any failure of Lender to notify Guarantor of any creation, renewal, extension, rearrangement, modification, supplement, subordination, or assignment of the Guaranteed Obligations or any part thereof, or of any Loan Document, or of any release of or change in any security, or of any other action taken or refrained from being taken by Lender against Borrower or any security or other recourse, or of any new agreement between Lender and Borrower, it being understood that Lender shall not be required to give Guarantor any notice of any kind under any circumstances with respect to or in connection with the Guaranteed Obligations, any and all rights to notice Guarantor may have otherwise had being hereby waived by Guarantor;

(ix) if for any reason Lender is required to refund any payment by Borrower or any other party liable for the payment or performance of any or all of the Guaranteed Obligations or pay the amount thereof to someone else;

(x) the existence of any claim, set-off, or other right that Guarantor may at any time have against Borrower, Lender, or any other person, whether or not arising in connection with this Guaranty, the Note, the Mortgage, or any other Loan Document;

(xi) the unenforceability of all or any part of the Guaranteed Obligations against Borrower, whether because the Guaranteed Obligations exceed the amount permitted by law or violate any usury law, or because the act of creating the Guaranteed Obligations, or any part thereof, is ultra vires, or because the officers or parties creating same acted in excess of their authority, or because of a lack of validity or enforceability of or defect or deficiency in any of the Loan Documents, or because Borrower's obligations cease to exist by operation of law, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other party be found not liable on the Guaranteed Obligations, or any part thereof, for any reason (and regardless of any joinder of Borrower or any other party in any action to obtain payment or performance of any or all of the Guaranteed Obligations); or

(xii) any order, ruling or plan of reorganization emanating from proceedings under Title 11 of the United States Code with respect to Borrower or any other Person, including any extension, reduction, composition, or other alteration of the Guaranteed Obligations, whether or not consented to by Lender.

(b) In the event any payment by Borrower or any other party to Lender is held to constitute a preference, fraudulent transfer or other voidable payment under any bankruptcy, insolvency or similar law, or if for any other reason Lender is required to refund such payment or pay the amount thereof to any other party, such payment by Borrower or

any such other party to Lender shall not constitute a release of Guarantor from any liability hereunder, and this Guaranty shall continue to be effective or shall be reinstated (notwithstanding any prior release, surrender or discharge by Lender of this Guaranty or of Guarantor), as the case may be, with respect to, and this Guaranty shall apply to, any and all amounts so refunded by Lender or paid by Lender to another party (which amounts shall constitute part of the Guaranteed Obligations), and any interest paid by Lender and any attorneys' fees, costs and expenses paid or incurred by Lender in connection with any such event. It is the intent of Guarantor and Lender that the obligations and liabilities of Guarantor hereunder are absolute and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully and finally paid and performed, and not subject to refund or disgorgement, the obligations and liabilities of Guarantor hereunder shall not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of a guarantor.

(c) If acceleration of the time for payment of any amount payable by Borrower under the Note, the Mortgage, or any other Loan Document is stayed or delayed by any law or tribunal, all such amounts shall nonetheless be payable by Guarantor on demand by Lender.

(d) Guarantor hereby waives and agrees not to assert or take advantage of (i) any right or claim of right to cause a marshalling of any of Borrower's assets or the assets of any other party now or hereafter held as security for all amounts now or hereafter due and owing under the Note, the Assistance Agreement, the Mortgage, and the other Loan Documents and any indemnifications contained in such Loan Documents, and all renewals, extensions, refinancings, modifications, supplements or amendments of such indebtedness, or any of the Loan Documents, or any part thereof (the foregoing amounts being hereinafter referred to as the "**Indebtedness**"); (ii) the defense of the statute of limitations in any action hereunder or for the payment of the Indebtedness and performance of any obligation hereby guaranteed; (iii) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (iv) any defense based on the failure of Lender to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the Indebtedness, in connection with any obligation hereby guaranteed; (v) any defense based upon an election of remedies by Lender which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (vi) any defense based upon failure of Lender to commence an action against Borrower; (vii) any defense based upon acceptance of this Guaranty by Lender; (viii) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (ix) any defense based upon any limitation of liability contained in any of the Loan Documents; (x) any defense based upon any transfer by Borrower of all or any part of the collateral granted to secure the Loan; and (xi) any defense based upon the failure of Lender to perfect any security or to extend or renew

the perfection of any security. Until such time as the Loan is fully and finally repaid, Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from the performance by Guarantor, including, without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Lender against Borrower or any security which Lender now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

4. Subordination. If, for any reason whatsoever, Borrower is now or hereafter becomes indebted to Guarantor:

(a) such indebtedness and all interest thereon and all liens, security interests and rights now or hereafter existing with respect to property of Borrower securing same shall, at all times, be subordinate in all respects to the Guaranteed Obligations and to all liens, security interests and rights now or hereafter existing to secure the Guaranteed Obligations;

(b) Guarantor shall not be entitled to enforce or receive payment, directly or indirectly, of any such indebtedness of Borrower to Guarantor until the Guaranteed Obligations have been fully and finally paid and performed;

(c) Guarantor hereby assigns and grants to Lender a security interest in all such indebtedness and security therefor, if any, of Borrower to Guarantor now existing or hereafter arising, including any dividends and payments pursuant to debtor relief or insolvency proceedings referred to below. In the event of receivership, bankruptcy, reorganization, arrangement or other debtor relief or insolvency proceedings involving Borrower as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and shall have the right to receive directly from the receiver, trustee or other custodian (whether or not an Event of Default shall have occurred or be continuing under any of the Loan Documents), dividends and payments that are payable upon any obligation of Borrower to Guarantor now existing or hereafter arising, and to have all benefits of any security therefor, until the Guaranteed Obligations have been fully and finally paid and performed. If, notwithstanding the foregoing provisions, Guarantor should receive any payment, claim or distribution that is prohibited as provided above in this Section 4, Guarantor shall pay the same to Lender immediately, Guarantor hereby agreeing that he shall receive the payment, claim or distribution in trust for Lender and shall have absolutely no dominion over the same except to pay it immediately to Lender; and

(d) Guarantor shall promptly upon request of Lender from time to time execute such documents and perform such acts as Lender may require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section 4, including, but not limited to, execution and delivery of financing statements, proofs of claim, further assignments and security agreements, and delivery to Lender of any promissory notes or other instruments evidencing indebtedness of Borrower to Guarantor. All promissory notes, accounts receivable ledgers or other evidences, now or hereafter held by Guarantor, of obligations of any or all Borrower to Guarantor shall contain a specific written

notice thereon that the indebtedness evidenced thereby is subordinated under and is subject to the terms of this Guaranty.

5. Other Liability of Guarantor or Borrower. If Guarantor is or becomes liable, by endorsement or otherwise, for any indebtedness owing by Borrower to Lender other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may have against Guarantor. If Borrower is or becomes indebted to Lender for any indebtedness other than or in excess of the Indebtedness for which Guarantor is liable under this Guaranty, any payment received or recovery realized upon any indebtedness of Borrower to Lender may, except to the extent paid by Guarantor on the Indebtedness for which Guarantor is liable under this Guaranty or specifically required by law or agreement of Lender to be applied to the Indebtedness for which Guarantor is liable under this Guaranty, in Lender's sole discretion, be applied upon indebtedness of Borrower to Lender other than the Indebtedness for which Guarantor is liable under this Guaranty.

6. Lender Assigns. This Guaranty is for the benefit of Lender and Lender's successors and assigns, and in the event of an assignment of the Guaranteed Obligations, or any part thereof, the rights and benefits hereunder, to the extent applicable to the Guaranteed Obligations so assigned, may be transferred with such Guaranteed Obligations. Guarantor waives notice of any transfer or assignment of the Guaranteed Obligations, or any part thereof, and agrees that failure to give notice will not affect the liabilities of Guarantor hereunder. Lender may sell or offer to sell the Loan or interests in the Loan to one or more assignees or participants and may disclose to any such assignee or participant or prospective assignee or participant any information Lender has pertaining to the Guaranteed Obligations, this Guaranty, or Guarantor, including, without limitation, information regarding any security for the Guaranteed Obligations or for this Guaranty, credit information on Guarantor, Borrower, and/or any other party liable, directly or indirectly, for any part of the Guaranteed Obligations. Lender may also disclose any such information to any regulatory body having jurisdiction over Lender and to any agent or attorney of Lender and in such other circumstances and to such other parties as necessary or appropriate in Lender's reasonable judgment.

7. Binding Effect. This Guaranty is binding not only on Guarantor, but also on Guarantor's estate, administrators, successors and assigns. If this Guaranty is signed by more than one Person, then all of the obligations of Guarantor arising hereunder shall be jointly and severally binding on each of the undersigned, and their respective heirs, personal representatives, successors and assigns, and the term "**Guarantor**" shall mean all of such persons and each of them individually.

8. Governing Law; Forum. This Guaranty, and its validity, enforcement, and interpretation, shall for all purposes be governed by and construed in accordance with the laws of the State of Connecticut and applicable United States federal law, without regard to principals of conflicts of laws, and is intended to be performed in accordance with, and only to the extent permitted by, such laws. All obligations of Guarantor hereunder are payable and performable at the place or places where the Guaranteed Obligations are payable and performable. Guarantor hereby irrevocably submits generally and unconditionally for Guarantor and in respect of Guarantor's property to the jurisdiction of any state court, or any United States federal court, sitting in the State of Connecticut over any suit, action or proceeding arising out of or relating to this

Guaranty or the Guaranteed Obligations. Guarantor hereby irrevocably waives, to the fullest extent permitted by law, any objection that Guarantor may now or hereafter have to the laying of venue in any such courts and any claim that any such courts are an inconvenient forum. Guarantor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any state court, or any United States federal court, sitting in the State of Connecticut may be made by certified or registered mail, return receipt requested, directed to Guarantor at its address stated in Section 14, or at a subsequent address of which Lender received actual notice from Guarantor in accordance with said Section, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Guarantor in any other court or jurisdiction.

9. Invalidity of Certain Provisions. If any provision of this Guaranty or the application thereof to any Person or circumstance shall, for any reason and to any extent, be declared to be invalid or unenforceable, neither the remaining provisions of this Guaranty nor the application of such provision to any other Person or circumstance shall be affected thereby, and the remaining provisions of this Guaranty, or the applicability of such provision to other Persons or circumstances, as applicable, shall remain in effect and be enforceable to the maximum extent permitted by applicable law.

10. Attorneys' Fees and Costs of Collection. Guarantor shall pay on demand all reasonable attorneys' fees, paralegals' fees, and all other costs and expenses incurred by Lender in the enforcement of or preservation of Lender's rights under this Guaranty (including all fees incurred in connection with arbitration). Guarantor agrees to pay interest on any expenses or other sums due to Lender under this Section 10 that are not paid when due, at a rate per annum equal to the interest rate provided for in the Note, but in no event shall such interest exceed the maximum amount of interest permitted by applicable law. Guarantor's obligations and liabilities under this Section 10 shall survive any payment or discharge in full of the Guaranteed Obligations.

11. Payments. All sums payable under this Guaranty shall be paid in lawful money of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

12. Controlling Agreement. It is not the intention of Lender or Guarantor to obligate Guarantor to pay interest in excess of that lawfully permitted to be paid by Guarantor under applicable law. Should it be determined that any portion of the Guaranteed Obligations or any other amount payable by Guarantor under this Guaranty constitutes interest in excess of the maximum amount of interest that Guarantor, in Guarantor's capacity as guarantor, may lawfully be required to pay under applicable law, the obligation of Guarantor to pay such interest shall automatically be limited to the payment thereof in the maximum amount so permitted under applicable law. The provisions of this Section 12 shall override and control all other provisions of this Guaranty and of any other agreement between Guarantor and Lender.

13. Representations, Warranties, and Covenants of Guarantor. Guarantor hereby represents, warrants, and covenants that (a) Guarantor will derive substantial benefit, directly or indirectly, from the Lender's making the Loan to the Borrower; (b) this Guaranty is valid and binding upon and enforceable against Guarantor; (c) Guarantor is not, and the execution, delivery

and performance by Guarantor of this Guaranty will not cause Guarantor to be, in violation of or in default with respect to any law or in default (or at risk of acceleration of indebtedness) under any agreement or restriction by which Guarantor is bound or affected; (d) Guarantor has full power and authority to enter into and perform this Guaranty; (e) there is no litigation pending or, to the knowledge of Guarantor, threatened before or by any tribunal against or affecting Guarantor; (f) all financial statements and information heretofore furnished to Lender by Guarantor do, and all financial statements and information hereafter furnished to Lender by Guarantor will, fully and accurately present the condition (financial or otherwise) of Guarantor as of their dates and the results of Guarantor's operations for the periods therein specified, and, since the date of the most recent financial statements of Guarantor heretofore furnished to Lender, no material adverse change has occurred in the financial condition of Guarantor, nor has Guarantor incurred any material liability, direct or indirect, fixed or contingent; (g) after giving effect to this Guaranty, Guarantor is solvent, is not engaged or about to engage in business or a transaction which is undercapitalized, and does not intend to incur or believe that he will incur debts that will be beyond its ability to pay as such debts mature; (h) Lender has no duty at any time to investigate or inform Guarantor of the financial or business condition or affairs of Borrower or any change therein, and Guarantor will keep fully apprised of Borrower's financial and business condition; (i) Guarantor acknowledges and agrees that Guarantor may be required to pay and perform the Guaranteed Obligations in full without assistance or support from Borrower or any other party; and (j) Guarantor has read and fully understands the provisions contained in the Note, the Assistance Agreement, the Mortgage and the other Loan Documents. Guarantor's representations, warranties and covenants are a material inducement to Lender to enter into the other Loan Documents and shall survive the execution hereof and any bankruptcy, foreclosure, transfer of security or other event affecting Borrower, Guarantor, any other party, or any security for all or any part of the Guaranteed Obligations.

14. Notices. Unless specifically provided otherwise, any notice for purposes of this Guaranty shall be made in writing and be delivered in the manner and by the methods permitted in the Assistance Agreement, to the addresses of each party as first written above or to such other address as may have been previously designated by the intended recipient by notice given in accordance with this Section. This Section 14 shall not be construed in any way to affect or impair any waiver of notice or demand provided in this Guaranty or in any other Loan Document or to require giving notice or demand to or upon any Person in any situation or for any reason.

15. Cumulative Rights. The exercise by Lender of any right or remedy hereunder or under any other Loan Document, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy. Lender shall have all rights, remedies and recourses afforded to Lender by reason of this Guaranty or any other Loan Document or by law or equity or otherwise, and the same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Guarantor or others obligated for the Guaranteed Obligations, or any part thereof, or against any one or more of them, or against any security or otherwise, at the sole discretion of Lender, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Guarantor that the exercise of, discontinuance of the exercise of or failure to exercise any of such rights, remedies, or recourses shall in no event be construed as a waiver or release thereof or of any other right, remedy, or recourse, and (d) are intended to be, and shall be, nonexclusive. No waiver of any default on the part of Guarantor or of any breach of any of the provisions of this Guaranty or of any other document shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing

the rights and powers granted herein or in any other document shall be construed as a waiver of such rights and powers, and no exercise or enforcement of any rights or powers hereunder or under any other document shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. The granting of any consent, approval or waiver by Lender shall be limited to the specific instance and purpose therefor and shall not constitute consent or approval in any other instance or for any other purpose. No notice to or demand on Guarantor in any case shall of itself entitle Guarantor to any other or further notice or demand in similar or other circumstances. No provision of this Guaranty or any right, remedy or recourse of Lender with respect hereto, or any default or breach, can be waived, nor can this Guaranty or Guarantor be released or discharged in any way or to any extent, except specifically in each case by a writing intended for that purpose (and which refers specifically to this Guaranty) executed, and delivered to Guarantor, by Lender.

16. Term of Guaranty. This Guaranty shall continue in effect until all the Guaranteed Obligations are fully and finally paid, performed, and discharged, except that, and notwithstanding any return of this Guaranty to Guarantor, this Guaranty shall continue in effect (i) with respect to any of the Guaranteed Obligations that survive the discharge of the Guaranteed Obligations, (ii) with respect to all obligations and liabilities of Guarantor under Section 10, and (iii) as provided in Section 3(b).

17. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default, however defined, in the payment or performance when due of any of the Guaranteed Obligations, Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, without notice to any Person (any such notice being expressly waived by Guarantor to the fullest extent permitted by applicable law), to set-off and apply any and all deposits funds, or assets at any time held and other indebtedness at any time owing by Lender to or for the credit or the account of Guarantor against any and all of the obligations of Guarantor now or hereafter existing under this Guaranty, whether or not Lender shall have made any demand under this Guaranty or exercised any other right or remedy hereunder. Lender will promptly notify Guarantor after any such set-off and application made by Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of Lender under this Section 17 are in addition to the other rights and remedies (including other rights of set-off) that Lender may have.

18. Subrogation. Notwithstanding anything to the contrary contained herein, until the Loan is paid and satisfied in full, Guarantor irrevocably waives any present or future right to which Guarantor is or becomes entitled to be subrogated to Lender's rights against any or all Borrower or to seek contribution, reimbursement, indemnification, or the like from Borrower on account of this Guaranty or to assert any other claim or right of action against Borrower on account of, arising under, or relating to this Guaranty.

19. Further Assurances. Guarantor at Guarantor's expense will promptly execute and deliver to Lender upon Lender's request all such other and further documents, agreements, and instruments in compliance with or accomplishment of the agreements of Guarantor under this Guaranty.

20. No Fiduciary Relationship. The relationship between Lender and Guarantor is solely that of lender and guarantor. Lender has no fiduciary or other special relationship with or

duty to Guarantor and none is created hereby or may be inferred from any course of dealing or act or omission of Lender.

21. Interpretation. The term “**Lender**” shall be deemed to include any subsequent holder(s) of the Note. Whenever the context of any provisions hereof shall require it, words in the singular shall include the plural, words in the plural shall include the singular, and pronouns of any gender shall include the other genders. Captions and headings in the Loan Documents are for convenience only and shall not affect the construction of the Loan Documents. All references in this Guaranty to Schedules, Articles, Sections, Subsections, paragraphs and subparagraphs refer to the respective subdivisions of this Guaranty, unless such reference specifically identifies another document. The terms “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar terms refer to this Guaranty and not to any particular Section or subsection of this Guaranty. The terms “**include**” and “**including**” shall be interpreted as if followed by the words “**without limitation**”. All references in this Guaranty to sums denominated in dollars or with the symbol “**\$**” refer to the lawful currency of the United States of America, unless such reference specifically identifies another currency. For purposes of the Agreement, “**Person**” or “**Persons**” shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, limited liability companies, and other legal entities, including governmental bodies, agencies, or instrumentalities, as well as natural persons.

22. Time of Essence. Time shall be of the essence in this Guaranty with respect to all of Guarantor’s obligations hereunder.

23. Entire Agreement. This Guaranty embodies the entire agreement between Lender and Guarantor with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty supersedes all prior agreements and understandings, if any, with respect to guaranty by Guarantor of the Guaranteed Obligations. No condition or conditions precedent to the effectiveness of this Guaranty exist. This Guaranty shall be effective upon execution by Guarantor and delivery to Lender. This Guaranty may not be modified, amended or superseded except in a writing signed by Lender and Guarantor referencing this Guaranty Agreement by its date and specifically identifying the portions hereof that are to be modified, amended or superseded.

**24. WAIVER OF JURY TRIAL. GUARANTOR AND LENDER (BY ACCEPTANCE OF THIS GUARANTY) MUTUALLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH GUARANTOR AND LENDER MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS GUARANTY, THE ASSISTANCE AGREEMENT, OR ANY OF THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS GUARANTY. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY GUARANTOR AND LENDER AND GUARANTOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. GUARANTOR FURTHER REPRESENTS AND WARRANTS THAT HE HAS BEEN REPRESENTED IN THE SIGNING OF THIS GUARANTY AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT**

**LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT GUARANTOR HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.**

*No Further Text On This Page – Signature Page Follows*

**DRAFT**

Guarantor duly executed this Guaranty as of the date first written above.

GUARANTOR:

[\_\_\_\_\_]

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Duly Authorized

\_\_\_\_\_

STATE OF )

)

ss:

COUNTY OF )

)

On this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer, personally appeared [\_\_\_\_\_], who acknowledged [himself/herself] to be the [\_\_\_\_\_] of [\_\_\_\_\_], a [\_\_\_\_\_] organized and existing under the laws of the State of [\_\_\_\_\_], and that [he/she] as the [\_\_\_\_\_] and being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the [\_\_\_\_\_] by [himself/herself] as the [\_\_\_\_\_].

IN WITNESS WHEREOF, I hereunto set my hand.

\_\_\_\_\_

Commissioner of the Superior Court

Notary Public

My commission expires:

GUARANTOR:

\_\_\_\_\_  
Name:

STATE OF )  
 ) ss.  
COUNTY OF )

On this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, personally appeared [\_\_\_\_\_, known to me (or satisfactorily proven) to be the persons whose name is subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained as her free act and deed.

In witness whereof, I hereunto set my hand.

\_\_\_\_\_  
Commissioner of the Superior Court  
Notary Public  
My Commission Expires:

[Affix Notarial Seal]