

After recording, please return to:

OPEN-END MORTGAGE DEED AND SECURITY AGREEMENT

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING: KNOW YE, that _____, a _____ organized and existing under the laws of the State of Connecticut and having a mailing address of _____, Connecticut _____ (the "**Mortgagor**"), for the consideration of _____ and 00/00 Dollars (\$_____) and other valuable considerations received to Mortgagor's full satisfaction of the **CONNECTICUT HOUSING FINANCE AUTHORITY**, 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 (the "**Mortgagee**"), does give, grant, bargain, sell and confirm unto Mortgagee, its successors and assigns forever, all of Mortgagor's interest in, to and under those certain pieces or parcels of land, with the buildings and improvements thereon, commonly known as _____, **Connecticut** and more particularly described on Schedule A hereto attached and made a part hereof (the "**Premises**") together with the following property and rights (the Premises together with such property and rights, hereinafter collectively referred to as the "**Mortgaged Property**"):

(a) All right, title and interest of Mortgagor (1) in and to all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Premises (collectively, the "**Buildings**"); and (2) of whatever character (whether as owner, chattel lessee or otherwise, whether vested or contingent and whether now owned or hereafter acquired), in and to all building materials, supplies and other property now or hereafter stored at or delivered to the Premises or any other location for installation in any of the Buildings, and all fixtures, fittings, machinery, appliances, equipment, apparatus, furnishings and personal property of every nature whatsoever now or hereafter located in or on, or attached to, and used or intended to be used in connection with the Premises or any of the Buildings, or in connection with the operation thereof or any construction or other work now or hereafter conducted thereon (all of the property described in this clause (2) being hereinafter collectively referred to as the "**Equipment**") (the Buildings, the Equipment, and the Service Equipment (defined below) being hereinafter collectively referred to as the "**Improvements**"); and (3) in and to all plans, specifications, drawings, books, records and similar items relating to the Premises or the Improvements, the operation thereof, any rights thereto or any interest therein;

(b) All right, title and interest of Mortgagor, now or hereafter arising, in or to the land lying in the bed of any street, road, avenue, open or proposed, and any and all sidewalks, plazas, alleys, strips and gores, in front of, adjoining or adjacent to the Premises; and all the privileges, tenements, hereditaments, licenses, easements, rights, royalties, minerals, oil and gas rights, rents, issues and profits, water, water rights, water stock, and appurtenances, reversion or reversions and remainder or remainders belonging or in any way appertaining to the Premises;

(c) All machinery, apparatus, equipment, fittings, fixtures, and articles of personal property owned by Mortgagor of every kind and nature whatsoever, now or hereafter located in any Building or upon the Premises, or any part thereof, and used or usable in connection with any present or future occupancy of said Building and now owned or hereafter acquired by Mortgagor (hereinafter referred to as "**Service Equipment**") including, but without limiting the generality of the foregoing, all heating, lighting, laundry, incinerating and power equipment, engines, pipes,

pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus, air cooling and air conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors, and windows, stoves, wall beds, refrigerators, attached cabinets, partitions, ducts and compressors (including all right, title and interest of Mortgagor in and to any Service Equipment which may be subject to any title retention or security agreement); it being understood and agreed that all such Service Equipment is and shall continue to be deemed part and parcel of the Premises and appropriated to the use thereof, and whether affixed or annexed to the Premises or not, shall for the purpose of this Mortgage be deemed conclusively to be real estate and mortgaged hereby; and Mortgagor agrees to execute and deliver, from time to time, such further instruments (including any security agreements) as may be requested by Mortgagee to confirm the lien of this Mortgage on any Service Equipment;

(d) All right, title and interest of Mortgagor in and to any and all leases, tenancies or rights of use and occupancy, with amendments, if any, and any extensions, renewals or guarantees of the tenants' obligations thereunder, now or hereafter on or affecting the Mortgaged Property, whether or not recorded, with all security therefor and all monies payable thereunder, and all books and records which reflect payments made under such leases (each a "**Lease**" and collectively, the "**Leases**") in accordance with, and subject to, the terms and conditions of Section 8 below;

(e) All rents, income, profits, security deposits and other benefits to which Mortgagor may now or hereafter be entitled from the Mortgaged Property and/or the business operations conducted at or from the Mortgaged Property (hereinafter the "**Property Income**") in accordance with, and subject to, the terms and conditions herein below;

(f) Any unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Mortgagor and all proceeds, including insurance proceeds, of the conversion, voluntary or involuntary, of the Mortgaged Property or the Improvements, or of any portion thereof, and/or any other property or rights encumbered or conveyed pursuant to this Mortgage, or any part thereof, into cash or liquidated claims;

(g) Any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property as a result of (i) the exercise of the right of eminent domain, (ii) the alteration of the grade of any street, (iii) any other injury to or decrease in value of the Mortgaged Property, or (iv) any reacquisition by any redevelopment or other municipal agency of any portion of the Mortgaged Property pursuant to any right of reacquisition reserved by such agency in or as a result of any redevelopment plan or agreement, and Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment;

(h) All tangible or intangible property of Mortgagor now or hereafter used in, arising out of, or relating to the construction, ownership, use, sale or operation of the Premises, including, without limitation, documents, instruments, chattel paper, accounts and general intangibles and all proceeds of the foregoing (as each of foregoing terms is defined in the Uniform Commercial Code as adopted by the State of Connecticut (the "**UCC**"); architectural and engineering plans and specifications for the sales contracts (and deposits thereunder) for all or any portion of the Mortgaged Property; and any funds, letters of credit or other property that is now or hereafter provided by Mortgagor to secure the payment of the indebtedness secured hereby;

(i) All refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Mortgaged Property as a result of tax certiorari or any applications or proceedings for reduction; and

(j) Any and all further or greater estate, right, title, interest, claim and demand of Mortgagor of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to any of the property described in the foregoing paragraphs or any rights or interests appurtenant thereto.

TO HAVE AND TO HOLD the Mortgaged Property, with the privileges and appurtenances thereof, unto Mortgagee, its successors and assigns forever, to its and their own proper use and behoof. And also, Mortgagor does for itself and its successors and assigns covenant with Mortgagee, its successors and assigns, that at and until the ensealing of these presents it is well seized and has a good, insurable fee simple estate in and to the Mortgaged Property and has the full power, authority and right to execute, deliver and perform the obligations under this Mortgage and to encumber, mortgage, transfer, give, grant, bargain, sell, alienate, convey, confirm, warrant, pledge, assign and hypothecate the same and that Mortgagor possesses an unencumbered fee simple estate in the Mortgaged Property as aforesaid, free and clear of all liens, encumbrances and charges whatsoever, except such as are listed as exceptions (the "**Permitted Encumbrances**") to title in the title insurance policy dated of even date herewith, issued by [_____ Title Insurance Company] to Mortgagee and insuring the lien of this Mortgage.

And furthermore, Mortgagor does by these presents bind itself and its successors and assigns forever to **warrant and defend** the above granted and bargained premises to Mortgagee, its successors and assigns, against all claims and demands whatsoever, except as above mentioned.

THE CONDITION OF THIS DEED IS SUCH THAT

WHEREAS, on this date, Mortgagee has agreed to make a loan to Mortgagor in the principal sum of _____ and 00/00 Dollars (\$_____) (the "**Loan**") pursuant to the terms of a certain Promissory Note of Mortgagor dated as of even date herewith in favor of Mortgagee (the "**Note**"), a copy of which is attached hereto as Schedule B and is made a part hereof, a certain Assistance Agreement dated as of even date herewith and a certain Declaration of Land Use Restrictive Covenant dated as of even date herewith (the "**Declaration**"), the proceeds of which are to be used in compliance with the provisions of the Housing Trust Fund Program as set forth in Section 8-336m through 8-336q of the Connecticut General Statutes ("**CGS**"), as amended and in effect from time to time. The Assistance Agreement provides that the Loan shall be repaid by Mortgagor to Mortgagee upon the occurrence of a default in said Assistance Agreement and in accordance with the terms of the Note (defined below). Capitalized words and terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Assistance Agreement. A copy of the Assistance Agreement is on file at the office of Mortgagee set forth above; and

WHEREAS, the Loan has been given to Mortgagor for use in connection with the renovation, rehabilitation and construction of certain residential rental units and ancillary improvements at the Mortgaged Property pursuant to the Assistance Agreement; and

WHEREAS, the Loan is evidenced by the Note; and

WHEREAS, this Mortgage is granted as security for (i) the prompt and punctual payment of the Note pursuant to its terms; and (ii) Mortgagor's compliance with the terms hereof; and

WHEREAS, the Improvements on the Mortgaged Property are in process of construction and/or repair, or to be erected and/or repaired, and whereas Mortgagee has agreed to make the Loan herein described to be paid over to Mortgagor in installments as the work progresses, the time and amount of each advancement to be in accordance with the Assistance Agreement, so that when all of the work on the Mortgaged Property shall have been completed to the satisfaction of Mortgagee, Mortgagee shall then pay over to Mortgagor any balance necessary to complete the full Loan or so much thereof as Mortgagor is eligible to receive pursuant to the Assistance Agreement; and

WHEREAS, Mortgagor agrees to complete the erection or repair of said Improvements to the satisfaction of Mortgagee within a reasonable time from the date hereof, and at the latest on or before _____, 20__.

NOW, THEREFORE, in consideration thereof, and in order more fully to protect and preserve the security of this Mortgage, Mortgagor represents, warrants, covenants and agrees as follows:

1. Payment of Loan; Performance of Obligations. Mortgagor shall pay all amounts due and perform and abide by all the terms and conditions of the Note, the Declaration, and any documents executed by Mortgagor in connection therewith.

2. Taxes, Assessments and Other Charges. Mortgagor shall pay promptly, before the same shall become delinquent, all taxes, assessments, sewer rents, water rates and other charges of any kind now or hereafter levied or assessed upon the Mortgaged Property or any part thereof, or the interest of Mortgagee in the Mortgaged Property, and any governmental or municipal charges and impositions for which lien rights exist; and promptly upon request of Mortgagee, Mortgagor shall exhibit to Mortgagee receipts for the payment of all items specified in this Section 2 prior to the date when the same shall become delinquent.

3. Insurance. Mortgagor shall keep the Mortgaged Property insured for the benefit of Mortgagee against loss or damage by fire, flood, if available, and other so-called extended coverage risks, and other hazards, casualties and contingencies, in amounts and containing such terms and conditions as required by Mortgagee and as set forth in the Assistance Agreement or, if not specifically required therein, then with such coverage and in amounts and upon such as is reasonable and customary in Mortgagor's business from time to time. All insurance herein provided for shall be carried in amounts and with companies as are satisfactory to Mortgagee, and all policies shall contain an agreement by the insurer that the policy shall not be canceled or limited without at least thirty (30) days' prior written notice to Mortgagee (at least ten (10) days prior written notice if cancellation is for non-payment) and, promptly upon request, copies of same shall be delivered to Mortgagee. All hazard insurance policies, including additional and renewal policies, shall be payable, in case of loss or damage, to Mortgagee as its interests may appear, and shall contain the standard non-contributing mortgagee clause entitling Mortgagee to collect all proceeds payable under all such insurance, as well as standard waiver of subrogation endorsement, and waiver of other endorsements, as Mortgagee may require. In the event of any

loss, Mortgagor will give prompt notice to Mortgagee. All liability insurance policies shall contain a provision designating Mortgagee as an additional insured party.

Should Mortgagee by reason of such insurance receive any sum or sums of money for damage by fire or the other hazards covered thereby, subject to any superior rights of prior mortgagees approved by Mortgagee (i) such sum or sums may be retained and applied by Mortgagee, in its discretion, toward payment of the indebtedness secured hereby whether or not same shall be then due or payable or (ii) may be paid over either in whole or in part to Mortgagor for the repair of all damaged Buildings or for the erection of any new Buildings in their place, or for any other purpose or object satisfactory to Mortgagee, and if Mortgagee retains and applies said insurance money as aforesaid, the lien of this Mortgage shall be affected only by a reduction thereof in an amount equal to the amount of such insurance money so retained and applied as aforesaid.

The Mortgage and all other security interests of Mortgagee in and to the Collateral shall be subject to the prior lien rights of _____ (the "**Other Lender**") in the amount of \$ _____ (the "**Other Loan**").

4. Maintenance, Repair and Alteration. Mortgagor shall complete construction of the Project (as defined in the Assistance Agreement) and thereafter maintain the Mortgaged Property in substantially the same condition, reasonable wear and tear excepted, shall not commit or suffer any waste of the Mortgaged Property, and shall substantially comply with, or cause to be substantially complied with, all applicable statutes, ordinances and requirements of any Federal, state, municipal, or other governmental authority relating to the Mortgaged Property, the effect of which non-compliance would be to materially and adversely affect the Mortgaged Property, the value thereof, or Mortgagor's financial condition. Mortgagor shall promptly repair, restore, replace or rebuild any part of the Mortgaged Property which may be damaged or destroyed by any casualty whatsoever or which may be affected by any proceeding of the character referred to in Section 6 hereof (Eminent Domain). Mortgagor shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Premises. Mortgagor agrees that no building or other property now or hereafter covered by the lien of this Mortgage shall be removed, demolished, or structurally altered, without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld.

5. Restrictions on Sale and Use of Property, Encumbrances, Liens Etc. Except as otherwise set forth herein or in the Assistance Agreement, Mortgagor will not sell, suffer change in title or ownership of, or otherwise transfer, or vest title in anyone other than Mortgagor to, all or any part of, the Mortgaged Property or any portion thereof. Mortgagor shall not permit or allow any further mortgages, liens or encumbrances against the Mortgaged Property, other than the Permitted Encumbrances.

6. Eminent Domain. In the event that the whole or any part of the Mortgaged Property shall be taken by eminent domain, or in the event of any alteration of the grade of any street or highway, or if any other injury to or decrease in value of the Mortgaged Property, or the reacquisition of the whole or any part of the Mortgaged Property pursuant to the terms of any redevelopment plan or agreement affecting the Mortgaged Property or if any agreement shall be made between Mortgagor and any entity vested with the power of eminent domain, any and all awards and payments on account thereof shall be deposited with Mortgagee as its interests may appear. Mortgagor shall give Mortgagee immediate notice of the actual or threatened commencement of any of the foregoing proceedings, and shall deliver to Mortgagee copies of all

papers served in connection with any such proceedings. Mortgagee shall have the right to intervene and participate in any proceedings for and in connection with any such taking, unless such intervention shall be prohibited by the Court having jurisdiction over such taking, in which event Mortgagor shall consult with Mortgagee in connection with such proceedings; and Mortgagor shall not enter into any agreement with regard to the Mortgaged Property or any award or payment on account thereof unless Mortgagee shall have consented thereto in writing.

Notwithstanding any such taking, alteration of grade, other injury to or decrease in value of the Mortgaged Property or any portion thereof, or reacquisition of title, or agreement, Mortgagor shall continue to make any and all payments required by the Note, Assistance Agreement and this Mortgage. Any reduction in the principal sums resulting from the application by Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such application. The proceeds of any award or payment, after deducting the expenses of collection, including, but not limited to, the counsel fees, other costs and disbursements, incurred by Mortgagee, may be applied by Mortgagee, at its option, toward payment of the obligation secured hereby whether or not same shall be then due or payable, or be paid over wholly or in part of Mortgagor for the purposes of altering or restoring any part of the Mortgaged Property which may have been damaged as a result of any such taking, alteration of grade, or other injury to the Mortgaged Property, or for any other purpose or object satisfactory to Mortgagee, but Mortgagee shall not be obligated to see to the proper application of any amount paid over to Mortgagor, nor shall the amount so paid over to Mortgagor be deemed a payment on any obligations secured hereby.

If prior to the receipt by Mortgagee of such award or payment, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive said award or payment to the extent of the obligations secured by this Mortgage remaining unsatisfied after such sale of the Mortgaged Property, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and to the extent of the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment.

The rights of Mortgage under this Section 6 shall be subject to the rights of the Other Lender.

7. Right to Cure. At its option, Mortgagee may pay any expense or item (including, but not limited to, taxes, rates, assessments, other charges, insurance premiums, maintenance and repair expenses, expenses incurred in protection of the lien of this Mortgage, etc.) which Mortgagor herein agrees to pay, in case Mortgagor shall fail to pay the same when due (or within any applicable cure period), and may perform any acts or covenants which Mortgagor herein agrees and shall fail to perform, and may add the same, and the expense thereof, including, but not limited to, counsel fees and other costs, charges and disbursements incurred by Mortgagee in connection therewith, to the obligations secured hereby or may at its option deduct same from any part of money thereafter advanced; and Mortgagor agrees to repay immediately, on demand, the same to Mortgagee, and the same shall be a lien upon the Mortgaged Property prior to any right, title, interest, lien or claim thereto, or thereon attaching or accruing subsequent to the lien of this Mortgage and shall be secured by this Mortgage.

The rights of Mortgage under this Section 6 shall be subject to the rights of the Other Lender.

8. Assignment of Rents. Mortgagor hereby assigns to Mortgagee the rents, issues and profits of the Mortgaged Property as further security for the payment of the obligations secured hereby. This assignment and grant shall continue in effect until the obligations secured by this Mortgage are paid; provided, however, that Mortgagor shall be entitled to collect and receive said rents, issues and profits until the occurrence of a default by Mortgagor under the terms and provisions hereof. Mortgagor agrees to use said rents, issues and profits in payment of principal and/or interest, if any, payable in respect of amounts advanced by Mortgagee to the extent necessary for said purpose, and in payment of all taxes, assessments, water rates, sewer rents, insurance premiums and other charges on or against the Mortgaged Property.

Upon the occurrence of a default by Mortgagor under the terms and provisions of this Mortgage, Mortgagee is hereby authorized and empowered, by its employees, agents or attorneys, to take possession of and enter upon the Mortgaged Property and to collect and receive the rents, issues and profits therefrom, and to apply so much of said rents, issues and profits as may be required in the necessary expenses of operating said Mortgaged Property, including, but not limited to, attorneys' fees and management agents, fees, and if Mortgagee manages the Mortgaged Property with its own employees, an amount equal to the customary management agents' fees charged for similar property in the area where the Mortgaged Property is located, and to apply the balance of said rents, issues and profits to the payment of the amounts due in respect of amounts advanced by Mortgagee or in payment of taxes, assessments, water rates, sewer rents, insurance premiums and other charges on or against the Mortgaged Property, or both.

The rights of Mortgage under this Section 6 shall be subject to the rights of the Other Lender.

9. Waiver of Liens. If any mechanic's lien is filed against the Mortgaged Property, Mortgagor shall immediately notify Mortgagee of such filing and cause the same to be canceled and discharged of record within thirty (30) days after the date of filing thereof, provided, however, that Mortgagor shall have the right to contest any such mechanic's lien in good faith without causing the same to be canceled and discharged so long as, upon request of Mortgagee, Mortgagor maintains a reasonable reserve for said purpose.

10. Protection of Lien. Mortgagor shall pay all reasonable and necessary costs, expenses and counsel fees incurred by Mortgagee in protecting or sustaining the lien of this Mortgage. Mortgagor shall save Mortgagee harmless from all such costs and expenses, including, but not limited to, counsel fees, recording fees and costs of a title search, continuation of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administration body in which Mortgagee may be a party by reason hereof, including, but not limited to, condemnation, bankruptcy and administrative proceedings, as well as any other proceedings wherein proof of claim is required to be filed or in which it becomes necessary, in Mortgagee's reasonable opinion, to defend or uphold the terms and priority of this Mortgage. All money paid or expended by Mortgagee in that regard shall be additional obligations, secured hereby, and shall be immediately and without notice due and payable to Mortgagee by Mortgagor.

11. Receiver. Mortgagee in any action to foreclose this Mortgage, or upon the actual or threatened waste to any part of the Mortgaged Property, or upon occurrence of a default by Mortgagor under this Mortgage, shall be at liberty to apply for the appointment of a receiver of the rents and profits of the Mortgaged Property without notice, and shall be entitled to the appointment

of such receiver as a matter of right, without consideration of the value of the Mortgaged Property as security for the amounts due to Mortgagee, or the solvency of any person or corporation liable for the payment of such amounts.

12. Books, Records and Accounts. Mortgagor will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Mortgaged Property in form and substance reasonably satisfactory to Mortgagee. Mortgagee or its designee shall, upon reasonable notice, have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of Mortgagor or other person or entity maintaining such books, records and accounts and to make copies or extracts thereof as Mortgagee shall reasonably require.

13. Right to Enter Premises. Mortgagee and any persons authorized by Mortgagee shall have the right, upon prior reasonable notice, to enter and inspect the Mortgaged Property at all reasonable times.

14. No Waiver, Etc. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor, of any and all of the terms and provisions of this Mortgage and the Assistance Agreement to be performed by Mortgagor.

15. Marshalling. Mortgagee shall not be compelled to release, or be prevented from foreclosing or enforcing this Mortgage upon all or any part of the Mortgaged Property, unless (i) the entire obligations and all items hereby secured shall be paid in lawful money as aforesaid; or (ii) all obligations under the Assistance Agreement are satisfied or discharged; and 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 or upon the said obligations to the extent of the value of such part or parts; and shall not be compelled to accept or allow an apportionment of the said obligations to or among any separate parts of the Mortgaged Property. In case of a foreclosure sale, the Mortgaged Property may be sold in one parcel and as an entirety or in such parcels, manner or order as Mortgagee in its sole discretion may elect.

16. Security Agreement. This Mortgage is intended to be a security agreement pursuant to the UCC for all of the fixtures and other goods, property rights and income relating to or derived from the Mortgaged Property as described above 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 with respect to said fixtures and other goods, property rights and/or income. Mortgagor shall pay all costs of filing such statements and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may reasonably require. Except as otherwise set forth in the Assistance Agreement, without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the UCC or otherwise any other security interest in the fixtures and other goods, including replacements and additions thereto, property rights and/or income subject to the lien of this Mortgage.

17. Rights and Remedies Cumulative. To the extent permitted by law, the rights and remedies provided for in this Mortgage, or which Mortgagee may have otherwise, at law or in equity shall be distinct, separate and cumulative, and shall not be deemed to be inconsistent with each other, and none of them, whether or not exercised by Mortgagee, shall be deemed to be in exclusion of any other, and any two (2) or more of all such rights and remedies may be exercised at the same time. If Mortgagor has given Mortgagee one (1) or more mortgages other than this Mortgage with respect to the same property securing this Mortgage, all such mortgages, and all rights and remedies provided for in all such mortgages shall remain distinct and separate and none of them shall merge or be merged with other mortgage or mortgages.

18. 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 CGS. 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. MORTGAGOR HEREBY WAIVES ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER UNDER CGS § 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. 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.

19. Waiver by 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 ASSISTANCE AGREEMENT 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.

20. Reliance on Documents, Etc. Mortgagee, in making any payment herein authorized in the place and stead of Mortgagor which (i) relates to taxes, assessments, water rates, sewer use and rentals and other governmental or municipal charges, fines, impositions or liens asserted against the Mortgaged Property, may do so according to any bill, statements or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (ii) relates to insurance premiums, may do so according to any notice, bill, statement or estimate procured from the appropriate insurer without inquiry into the accuracy or validity thereof; or (iii) relates to any apparent or threatened adverse title, lien, statement or lien, encumbrance, claim or charge shall be the sole judge of the legality or validity of same; or (iv) relates to the expense of repairs or replacement of any Improvements or any other Mortgaged Property shall be the sole judge of the state of repairs or replacement; or (v) otherwise relates to any other purpose not specifically enumerated in this Section 20 may do so whenever, in its judgment and discretion, such payment shall seem necessary or desirable to protect the full security intended to be created by this Mortgage, and provided, further, that in connection with any such payment, Mortgagee, at its option, may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the costs and expenses of which shall be repayable by Mortgagee without demand and shall be secured hereby.

21. Compliance with Local, State and Federal Regulation. Respecting the Mortgaged Property and the use and operation thereof, Mortgagor shall at all times remain in substantial compliance with all applicable federal, state and local laws, regulations and ordinances with respect to conduct of business or business operation to the extent that any such noncompliance would materially and adversely affect the conduct of said business or Mortgagor's financial condition.

22. Event of Default. Upon the occurrence and continuation of an Event of Default beyond the applicable stated period of grace, notice or cure, the whole of the principal sum, any interest accrued thereon, and any and all obligations secured hereby (including, without limitation, all sums due under the Assistance Agreement and the Note) shall become due and payable forthwith at the option of Mortgagee. Each of the following events shall be deemed to be an **"Event of Default"** hereunder:

(a) Failure of Mortgagor to make any payment of principal, interest or any other charges due under the Note, the Assistance Agreement, this Mortgage or any other Project Document and if such default shall continue beyond any applicable cure period contained herein, or failure of Mortgagor to make any other payment to Mortgagee required by this Mortgage.

(b) Default under the Assistance Agreement.

(c) If Mortgagor shall cease to legally exist, or be deprived of title, possession or control of the Mortgaged Property by process or operation of law or order of any court, or if any foreclosure proceeding shall be instituted on any lien or mortgage of any kind affecting the Mortgaged Property.

(d) [NOTE: The 30-day period in this provision may be lengthened on a transaction by transaction basis, but in any event shall not exceed 90 days.] The filing 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 [thirty (30)] days after the filing thereof, or the adjudication of Mortgagor as a bankrupt in an involuntary case and such judgment or decree is not vacated or set aside within [thirty (30)] 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 any part of any of its properties, or a calling of a meeting of creditors or liquidating agents or offering of a composition or extension to creditors by, for or on behalf of Mortgagee.

(e) Failure of Mortgagor to substantially perform any other act, duty or obligation as required by this Mortgage, provided, however, that Mortgagor shall have a period of thirty (30) days after notice from Mortgagee to cure or remedy any such failure before the same constitutes an Event of Default hereunder, and, provided, further, that if the nature of such failure is such that it cannot reasonably be remedied within said thirty (30) day period, Mortgagor shall have such additional time as may be reasonably required, but not greater than an additional sixty (60) day period to effect said remedy and such failure shall not be deemed an Event of Default hereunder prior to the expiration of such period so long as Mortgagor proceeds diligently and in good faith to effect said remedy.

(f) Failure of Mortgagor to perform or observe any other covenant or agreement to be observed or performed by Mortgagor pursuant to the Restrictive Covenant.

23. Miscellaneous Provisions.

(a) Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, plural or singular shall include each other, and pronouns in any gender shall be construed as masculine, feminine or neuter as the context requires. Any terms used herein as defined terms which are not defined herein shall have the definition given to them in the Assistance Agreement.

(b) If any term or provision of this Mortgage or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of the mortgage shall be valid and enforceable to the fullest extent permitted by law.

(c) The captions or section headings used in this Mortgage are for convenience only and of no substance or significance, and shall not be used to interpret, modify or affect in any way the terms and conditions herein contained.

(d) This Mortgage shall be governed by and construed in accordance with the laws of the State of Connecticut. All grants, covenants, agreements and other provisions herein contained shall run with the land, and shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Mortgagor and Mortgagee.

(e) This Mortgage shall also constitute a lien on the real property as provided by CGS § 32-223.

(f) All notices, demands or other communications hereunder shall be in writing, by letter (delivered by hand or sent by United States mail, or overnight delivery service) to the addresses first listed above. Any notice, demand or other communication hereunder shall be deemed to have been duly given when deposited in the mails, postage prepaid, addressed as aforesaid. Mortgagee and Mortgagor may change the person to whom such notices are to be given hereunder, or the address to which such notices are to be sent, by notice duly given hereunder.

24. 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 when evidenced by a promissory note stating that the note is secured hereby. At no time shall the principal amount of the debt 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.

25. Notices. Any and all notice provided for herein shall be deemed to have been given if made in writing and shall be sufficiently given when delivered in person to or sent by first-class mail, postage prepaid, addressed as follows:

To Mortgagee:

To Mortgagor:

With a copy to:

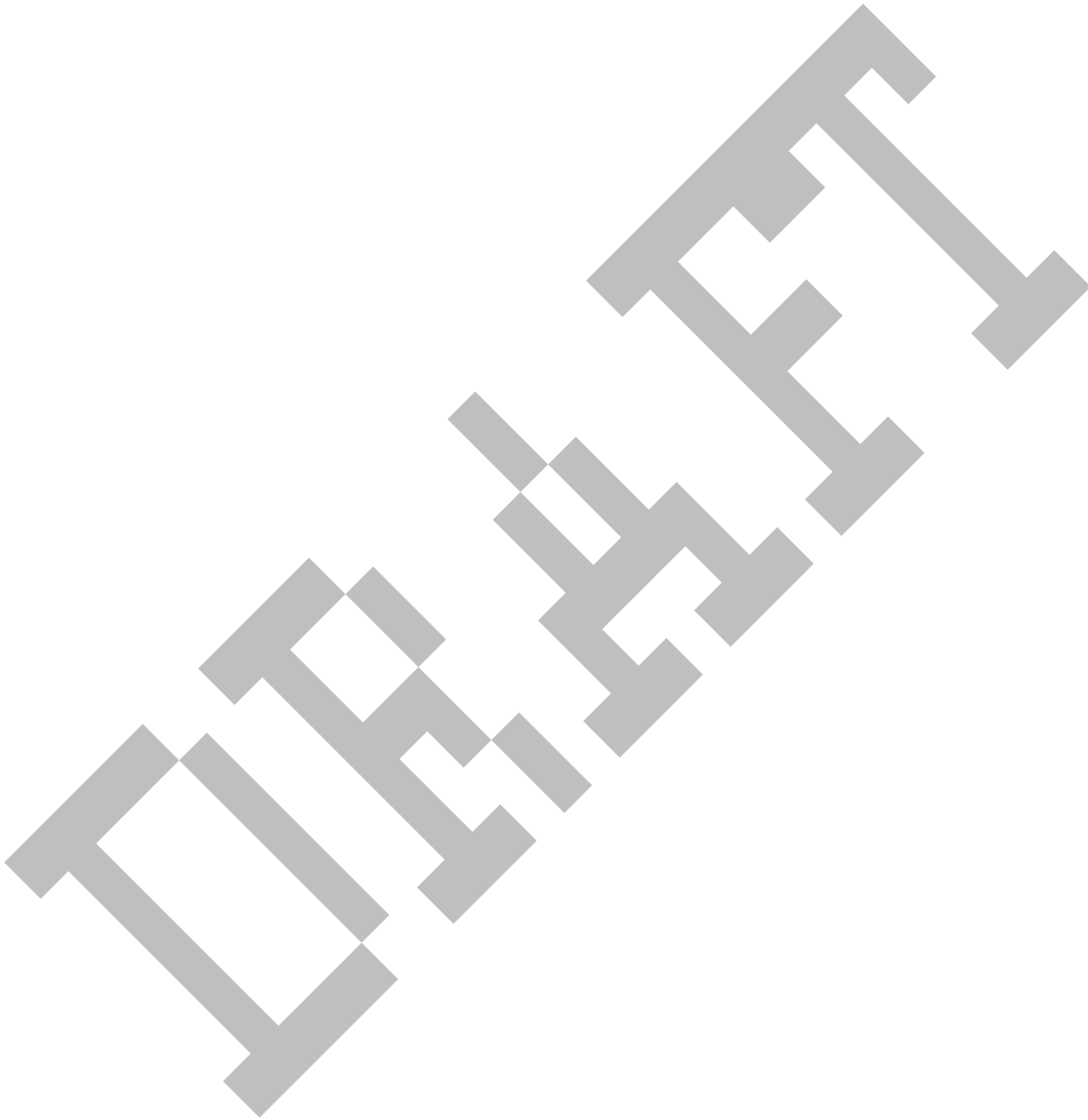
or to such other address as Mortgagor or Mortgagee may designate by written notice to other.

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 Assistance Agreement and Note shall be well and truly paid according to their tenor, and if all agreements and provisions contained herein and in the Assistance Agreement and Note 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 page follows.]

SCHEDULE A

LEGAL DESCRIPTION OF PROPERTY



SCHEDULE B

COPY OF SIGNED PROMISSORY NOTE

