



REGULAR BOARD MEETING

October 27, 2021

6:00 p.m.

Zoom Conference

AGENDA

1. Approve Minutes of the COC Board Meeting of September 22, 2021
2. Public Comment
3. Board Committee Reports
 - HR Committee Meeting
 - Finance Committee Meeting
 - Operations Committee Meeting
4. Report from Executive Director
5. Strategic Overview from Chief Executive Officer
6. Board Discussion – Children's Playgrounds at COC Properties
7. Resolutions:
 - 21-26 Authorization of Issuance and Sale of Multifamily Housing Revenue Notes Not Exceeding \$10,500,000 for Lawnhill Terrace 4, Series 2021
 - 21-27 Award Contract to BRD Builders, LLC for Site Renovations at Lawn Ave Townhouses
 - 21-28 Award Contract for Landlord/Tenant Legal Services to Chesson & Schweickert, LLC d/b/a Landlord Law Firm
 - 21-29 Award Contract to BRD Builders, LLC for Office Renovations at Clinton Manor
 - 21-30 Approve Operations Transfer Agreement for Scofield Manor Residential Care Home between Charter Oak Communities & Stamford Elderly Housing Corporation and Center Management, Inc.
8. Executive Session
 - Legal Matters, Real Estate Items, Personnel Items

Agenda

Finance Committee Meeting

October 26, 2021

5:30 p.m.

1. Financial Report for the Quarter ending 9/30/21 - Sam
2. Audit Update – Darnel
3. Investment Advisory Services RFP Update - Lisa
4. Other

Agenda

Human Resources Committee Meeting

October 26, 2021

4:15 p.m.

1. Recruitment Update
2. Employee Recognition and Engagement
 - a. Employee Newsletter
 - b. Cyber Security Awareness Month (Ken Montanez - 5 Minute Overview of COLE training, weekly employee engagement activities, culminating month-end activity including a guest speaker)
3. COVID-19 Vaccination Policy – Chapter #211
4. Update on Reopening Office Plan Phase 3A

Agenda

Operations Committee Meeting

October 26, 2021

5:15 PM

1. Rent Relief/UniteCT
2. September Accounts Receivable Status
3. Situational Awareness COLE Training
4. Procurement Activity

**HOUSING AUTHORITY OF THE CITY OF STAMFORD
D/B/A CHARTER OAK COMMUNITIES
22 CLINTON AVENUE
STAMFORD, CT 06901**

Board Meeting Date: **October 27, 2021**

Resolution Number: **21-26**

RESOLUTION

Subject: **Authorization of Issuance and Sale of Multifamily Housing Revenue Notes Not Exceeding \$10,500,000 for Lawnhill Terrace 4, Series 2021**

Background: See attached resolution prepared by bond counsel containing details of the proposed issuance by COC of tax-exempt bonds to partially fund the comprehensive renovation of Lawnhill Terrace 4. COC will incur no financial exposure, expenses, or repayment obligation as a result of issuing the bonds, and COC will receive an issuance fee equal to 1% of the amount of the bond issue.

Resolution: **Be it resolved by the commissioners of the Housing Authority of the City of Stamford that the resolution prepared by Bond Counsel authorizing issuance and sale of multifamily revenue housing notes not exceeding \$10,500,000 for Lawnhill Terrace 4 be approved and that the Executive Director or CEO of the Housing Authority of the City of Stamford be authorized to execute and implement the agreement.**

**Jonathan Gottlieb
Staff Member Submitting Report**

**HOUSING AUTHORITY OF THE CITY OF STAMFORD
D/B/A CHARTER OAK COMMUNITIES**

22 Clinton Avenue
Stamford, Connecticut 06901

Board Meeting Date: **October 27, 2021**

Resolution Number: **21-27**

RESOLUTION

Subject: **Award Contract to BRD Builders, LLC for Site Renovations at Lawn Ave Townhouses**

Background: Charter Oak Communities (COC) issued an Invitation to Bid No. 21-0005 for site renovations at Lawn Ave Townhouses on August 28, 2021. Four firms requested the bid documents, reviewed by the architect, Carmelo Rosa of Hibbard and Rosa Architects, which resulted in the receipt of two bids. The evaluation committee reviewed the bids and determined that the lowest cost proposal, provided by BRD Builders, LLC was found to comply with the required criteria. The evaluation committee has therefore concluded that the lowest proposal is acceptable and is recommending an award of this contract to this firm. Additionally, BRD's references have all been positive and they have had previous experience working with COC. (See attached Architect recommendation letter and proposed results.)

BRD Builders, LLC has demonstrated that they have the qualifications, the necessary organization, manpower, experience and operational controls to complete the specified work. Their fee proposal is deemed fair and reasonable. It is recommended that the contract to perform the site renovations at Lawn Ave. Townhouses be awarded to BRD Builders, LLC.

Resolution: **Be it resolved by the Housing Authority of the City of Stamford d/b/a Charter Oak Communities that the Executive Director is authorized to enter into a contract with BRD Builders, LLC, of Hartford, Connecticut for Site Renovations at Lawn Avenue Townhouses. The cost of this procurement shall not exceed a total amount of \$1,163,000.00. Further Board approval will be required if the contract amount exceeds 110% of the authorized amount.**

Peter Stothart
Staff Member Submitting Report

**HOUSING AUTHORITY OF THE CITY OF STAMFORD
D/B/A CHARTER OAK COMMUNITIES**

22 Clinton Avenue
Stamford, Connecticut 06901

Board Meeting Date: October 27, 2021

Resolution Number: 21-28

RESOLUTION

Subject: Award Contract for Landlord/Tenant Legal Services to Chesson & Schweickert, LLC d/b/a Landlord Law Firm

Background: Charter Oak Communities issued RFP #21-0004 for Landlord/Tenant Legal Services on September 13, 2021, resulting in the receipt of three proposals. The proposals were reviewed and rated by the evaluation committee. The evaluation committee has therefore concluded that the firm with the highest consolidated rating is being recommended for the selection of these services. (See the attached proposed results.)

The firm, Chesson & Schweickert LLC d/b/a Landlord Law Firm, is the current incumbent. Their proposal was determined to be complete, and it meets all the criteria set forth in the RFP. The proposed fee is also deemed to be competitive. They have provided excellent service to COC in the current contract. It is recommended that the contract to perform Landlord/Tenant legal services be awarded this contract Chesson & Schweickert, LLC d/b/a Landlord Law Firm.

Resolution: Be it resolved, by the Commissioners of the Housing Authority of the City of Stamford d/b/a Charter Oak Communities that the Executive Director is authorized to enter into contract for Landlord/Tenant Legal services with the firm Chesson & Schweickert for a term of five (5) years and for an amount not to exceed \$200,000.00. Further Board approval will be required if the contract amount exceeds 110% of authorized amount.

Natalie Coard
Staff Member Submitting Report

**HOUSING AUTHORITY OF THE CITY OF STAMFORD
D/B/A CHARTER OAK COMMUNITIES**

22 Clinton Avenue
Stamford, Connecticut 06901

Board Meeting Date: **October 27, 2021**

Resolution Number: **21-29**

RESOLUTION

Subject: **Award Contract to BRD Builders, LLC for Office Renovations at Clinton Manor**

Background: Charter Oak Communities (COC) issued Bid No. 21-0006 for Office Renovations at Clinton Manor on September 3, 2021. Seven firms requested the bid documents prepared by Hibbard and Rosa Architects, which resulted in the receipt of two bids. The evaluation committee reviewed the bids and determined that the lowest cost proposal, provided by BRD Builders, LLC, was found to comply with the required criteria. BRD's references were found to be positive, and they have had previous experience working with COC.

BRD Builders, LLC has demonstrated that they have the qualifications, the necessary organization, manpower, experience and operational controls to complete the specified work. Their fee proposal is deemed to be fair and reasonable. It is recommended that the contract to perform the Office Renovations at Clinton Manor be awarded to BRD Builders, LLC. (See attached Architect recommendation letter and proposed results.)

Resolution: **Be it resolved by the Housing Authority of the City of Stamford d/b/a Charter Oak Communities that the Executive Director is authorized to enter into a contract with BRD Builders, LLC of Hartford, Connecticut for Office Renovations at Clinton Manor. The cost of this procurement shall not exceed a total amount of \$573,000.00. Further Board approval will be required if the contract amount exceeds 110% of the authorized amount.**

Peter Stothart
Staff Member Submitting Report

**HOUSING AUTHORITY OF THE CITY OF STAMFORD D/B/A
CHARTER OAK COMMUNITIES**

22 Clinton Avenue
Stamford, Connecticut 06901

Board Meeting Date: October 27, 2021

Resolution Number: 21-30

RESOLUTION

Subject Approve Operations Transfer Agreement for Scofield Manor Residential Care Home between Charter Oak Communities & Stamford Elderly Housing Corporation and Center Management, Inc.

Background: Charter Oak Communities (COC) and Stamford Elderly Housing Corporation (SEHC) have determined that continued operation of Scofield Manor as a licensed Residential Care Home (RCH) is not viable under the terms of the current Operating Lease (1990) between SEHC and the City of Stamford. Accordingly, the City and Center Management, Inc. have negotiated an amendment to their Ground Lease (2017), encompassing the Scofield Manor site at 614 Scofieldtown Road, that provides for Center to assume operation of the RCH. COC and Center have negotiated the details of that transfer in an accompanying Operations Transfer Agreement that stipulates the terms and conditions of the transference, along with protections for principal parties, residents and employees.

Resolution: Be it resolved by the Commissioners of the Housing Authority of the City of Stamford d/b/a Charter Oak Communities that the Operations Transfer Agreement between Charter Oak Communities & Stamford Elderly Housing Corporation and Center Management, Inc. be approved for execution.

Vincent Tufo
Staff Member Submitting Report

DRAFT

OPERATIONS TRANSFER AGREEMENT

by and between

Housing Authority of the City of Stamford d/b/a Charter Oak Communities

and

Stamford Elderly Housing Corporation

(collectively, "Transferor"),

and

[Scofield Operating LLC]

("New Operator")

[DATE]

OPERATIONS TRANSFER AGREEMENT

This **OPERATIONS TRANSFER AGREEMENT** (the “Agreement”), dated as of _____, 2021 (the “Execution Date”), is by and between Stamford Elderly Housing Corporation, a Connecticut corporation (“SEHC”) and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority (“COC”) together with SEHC, the “Transferor”), and [Scofield Operating LLC], a [_____] limited liability company (the “New Operator”).

RECITALS:

WHEREAS, the Transferor is currently the tenant and operator of that certain fifty (50) bed Residential Care Home, duly licensed by the applicable authorities of the State of Connecticut (the “State”) known as “Scofield Manor” (the “Facility”), which is situated on a property located at 614 Scofieldtown Road Stamford, CT 06905 (the “Real Property”), pursuant to that certain lease, dated as of April 26, 1990, (the “Operating Lease”), by and between the City of Stamford (the “City” or the “Real Property Owner”) and Transferor, as tenant;

WHEREAS, the parties wish to enter into this transaction whereby Transferor will transfer the Facility operations to the New Operator, subject to the terms and conditions of this Agreement; and

WHEREAS, Transferor and New Operator have agreed to enter into this Agreement in order to provide for an orderly transition of the operations of the Facility.

NOW, THEREFORE, in consideration of the premises, the mutual obligations of the parties contained in this Agreement, and for \$10.00 and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree to incorporate the foregoing recitals as if fully rewritten in this Agreement and further agree as follows:

ARTICLE I **ASSETS, LIABILITIES, AND OTHER MATTERS**

1.1 Transferred Assets.

(a) Subject to the terms and conditions of this Agreement, at the Closing (as herein defined) Transferor will transfer to New Operator all of Transferor’s right, title and interest in and to the following assets (collectively the “Transferred Assets”), free and clear of all liens, except as set forth on Section 1.1 of Transferor’s Disclosure Schedule or as otherwise provided herein (“Permitted Liens”):

(i) all inventory, supplies, medical supplies, linens, foodstuffs and other consumables and all other tangible assets used by Transferor in the operation of the Facility, in

substantially the same levels and volumes as are necessary for normal operations consistent with industry practices;

(ii) all resident and prospect lists, marketing information, telephone and fax numbers, telephone listings, and computer software and computer licenses, as available, used by the Facility. Notwithstanding anything to the contrary contained herein, all resident and prospect lists will be transferred to New Operator at the Closing Date;

(iii) all transferable licenses, transferable permits and other transferable governmental approvals or authorizations which are used, or may be used, in connection with the Facility (including, without limitation, any authorizations to participate in any state or federal reimbursement program such as Medicaid/SSI in accordance with Section 1.2 below), whether issued or granted by any governmental authority or by any other person, and all transferable operating, license and certification rights with respect to the 50 licensed beds (except as otherwise provided in Section 1.2 below);

(iv) all furniture, fixtures, equipment, furnishings, appliances, tools, instruments, machinery, servers, tablets, office equipment, parts, and other tangible personal property located at the Facility as of the Execution Date and owned by Transferor (including, without limitation, all respiratory equipment and ventilators, and all computer terminals and monitors). Any furniture, fixtures, equipment, furnishings, appliances, tools, instruments, machinery, servers, tablets, office equipment, parts, and other tangible personal property located at the Facility located at the Facility that is not owned by Transferor and therefore, not subject to the transfer to New Operator shall be listed on Schedule 1.1(a)(iv) attached hereto;

(v) all transferable third-party warranties and claims for warranties relating to the Facility or the Transferred Assets;

(vi) all of the Transferor's rights under the Contracts to which the Transferor is a party that the New Operator agrees to assume, to be listed on Schedule 1.1(a)(vi) to be attached hereto (collectively, the "Assumed Contracts");

(vii) all intellectual property of Transferor relating to the Facility, including Transferor's rights, if any, in, to and under the name "Scotfield Manor", and any derivatives of the same and any goodwill in connection therewith;

(viii) any other trade names, trademarks, service marks, symbols, logos, know-how, copyrights and other proprietary materials or intellectual property rights used or held for use in connection with the operation of the Facility and all goodwill associated with the Facility or any of the foregoing, provided that any and all proprietary materials and intellectual property rights owned by COC and used in the Facility, to be listed in Schedule 1.1(a)(viii) shall be retained by COC;

(ix) subject to applicable law and the provisions hereof, all employee records, including all personnel files, employee employment applications, W-4's, I-9's and any disciplinary reports or performance evaluations for all retained employees;

(x) Intentionally Omitted

(xi) all agreements with then current residents of the Facility as of the Effective Time (including individuals temporarily not in occupancy) regarding admission and residency at the Facility;

(xii) Intentionally Omitted.

(xiii) all computer software, computer systems and computer programs, including any equipment subject to any lease included in the Assumed Contracts.

(b) Notwithstanding anything to the contrary contained in Section 1.1(a) or elsewhere in this Agreement, the following items (collectively, the “Excluded Assets”) are excluded from the Transferred Assets and shall remain the property of Transferor after the Closing:

(i) all cash and cash equivalents and short-term investments that are held by Transferor prior to the Closing Date, including but not limited to all operating reserves, capital reserves, donated funds and receivables;

(ii) all rights of Transferor under this Agreement and all Transaction Documents;

(iii) all rights of Transferor in connection with, and assets of, the Transferor’s Employee Plans (as defined below) and all right to payment of monies that relate to the period prior to the Closing Date;

(iv) all rights in, claims to and payments of any and all amounts relating to the Excluded Assets, the Facility and/or the ownership or operation thereof, including all accounts receivable, rebates, refunds or credits of whatever nature, including all claims for refund of Taxes, whether real, personal, tangible or intangible, other governmental charges, and COVID related reimbursement funds from state or Federal government, whenever and however paid, issued or credited, in each case, to the extent the same relate to any period prior the Closing Date; and

(v) all Contracts to which Transferor is a party, other than the Assumed Contracts and Resident Admission Agreements.

1.2 Assumed Liabilities. New Operator will assume at the Closing only the following liabilities of Transferor (collectively, the “Assumed Liabilities”): (a) the ongoing obligations of Transferor arising on and after the Closing Date with respect to the Transferred Assets.

1.3 Excluded Liabilities. Except for the Assumed Liabilities expressly assumed by New Operator in Section 1.2 above, New Operator shall not assume any claims, lawsuits, liabilities, obligations, contracts, agreements or debts of Transferor, whether statutory, regulatory, judicially created or constitutional (the “Excluded Liabilities”), including without limitation: (a) malpractice or other tort claims, statutory or regulatory claims, claims of state or federal agencies whether civil or criminal, fraud-based claims or claims for breach of contract to the extent any such claims are based on acts or omissions of Transferor occurring before the Closing Date; (b) any taxes or other obligation or liability of Transferor to pay money incurred by Transferor prior to the Closing Date; (c) any collective bargaining agreements or other agreements or

understandings with any labor union or collective bargaining unit or any employment or consulting agreements of any kind; and (d) any other obligations or liabilities arising in whole or in part from Transferor's acts or omissions prior to the Closing Date or in any way related to the operations of the Facility prior to the Closing Date.

1.4 Transfer of Resident Trust Funds and Deposits.

(a) At the Closing Date, Transferor shall deliver to New Operator a true, correct and complete schedule of all trust funds held by Transferor as of the most recent date available prior to the Effective Time for any resident of the Facility (collectively the "Resident Trust Funds") and deposits or prepayments paid by or for any resident of the Facility (collectively, the "Resident Deposits").

(b) At the Closing, Transferor shall transfer the Resident Trust Funds and Resident Deposits to New Operator and New Operator shall accept the Resident Trust Funds and Resident Deposits in trust for the residents, in accordance with applicable statutory and regulatory requirements. Within ten (10) business days after the Closing Date, Transferor and New Operator shall prepare a final schedule of the Resident Trust Funds and Resident Deposits and thereafter reconcile the Resident Trust Funds and Resident Deposits transferred from Transferor to New Operator.

(c) Transferor agrees to indemnify, defend and hold harmless New Operator from any losses, liabilities, damages, claims, actions, causes of action, costs, expenses, including, without limitation, reasonable attorneys' fees, which New Operator may incur as a result of (i) discrepancies between the Resident Trust Funds or Resident Deposits as delivered by Transferor to New Operator and the correct amount of the Resident Trust Funds or Resident Deposits for such resident relating to periods prior to the Closing Date as required under applicable law, including any shortfall in the amount of Resident Trust Funds or Resident Deposits delivered by Transferor to New Operator, (ii) material inaccuracies in the accounting of Resident Trust Funds or Resident Deposits provided by Transferor relating to periods prior to the Closing Date, or (iii) claims which arise from actions or omissions of Transferor with respect to the Resident Trust Funds or Resident Deposits prior to the Closing Date with the exception of any such losses which arise from the negligence or willful misconduct of New Operator.

1.5 Employees

(a) Schedule 1.6 attached hereto is a schedule (the "Employee Schedule") which reflects, in all material respects, the following as of the most recent available date: (i) the name of all Transferor employees providing services to the Facility, whether full-time or part-time and (ii) their positions, rates of pay, original hire dates and full/part time status and whether they are on medical disability or leave of absence (the "Facility Employees"). On the Closing Date, New Operator shall offer positions to all Facility Employees that satisfy New Operator's standard employment policies and criteria. Transferor may, at its option, continue to discuss the contemplated operating transfer of the Facility with the registered nurse and administrator of the Facility in order to facilitate a smooth transfer of operations, provided that Transferor shall provide prior notice to New Operator of any such discussions.

b) From the Execution Date of this Agreement until Closing, Transferor shall provide the New Operator with reasonable access during normal business hours to the Facility so that the New Operator may discuss potential employment of any Facility Employees by the New Operator pursuant to the New Operator's standard employment policies and criteria, provided that any such discussions do not interfere with the ongoing operation of the Facility. Transferor shall, as of the Effective Time, terminate the employment of all Facility Employees. Without providing prior notice to the other party, neither party shall separately deliver any written communications to, or hold any group meetings with, any Facility Employees for the purpose of addressing or discussing the transactions contemplated herein, provided, however, that nothing set forth herein shall restrict employees and managers to plan, coordinate and conduct the various tasks and actions necessary for each party to effect and complete the transactions set forth herein. Each party shall endeavor to coordinate with the other party, the delivery of any written communications and/or any meetings or discussion in an effort to facilitate a smooth transfer of operations. The parties acknowledge that the Transferor will, in connection with preparing for the transfer, consult with certain Facility administrators (the "Facility Administrators"). Transferor will obtain non-disclosure agreements from each such Facility Administrator prior to engaging in any such discussions.

(c) Nothing in this Agreement shall create any rights in favor of any person not a party hereto, including the Facility Employees, or constitute an employment agreement or condition of employment for any employee of Transferor or New Operator or any affiliate thereof, nor shall this Agreement be deemed the assignment to or assumption by New Operator of any collective bargaining agreement, employment agreement or terms or conditions of employment (except as set forth herein), and New Operator shall not assume any liabilities or obligations under any employee benefit plan or defined benefit plan of Transferor or its affiliates.

(d) Transferor shall remain liable for all group health plan continuation coverage pursuant to the requirements of Section 601, et seq. of ERISA and Section 4980B of the Code ("COBRA"), for all of its employees to whom it is required to offer the same under applicable law. Transferor acknowledges and agrees that New Operator is not assuming any of Transferor's obligations to its employees and/or qualified beneficiaries under COBRA or otherwise, except as specifically provided in this Agreement.

(e) Transferor agrees to indemnify, defend and hold harmless New Operator from any losses, liabilities, damages, claims, actions, causes of action, costs, expenses, including, without limitation, reasonable attorneys' fees, which New Operator may incur under COBRA or any comparable state law in the event of the violation by Transferor of its obligations under subsection 1.5, provided any such violation is not caused by any act or omission of New Operator.

1.6 Prorations.

(a) At the Closing and for the billing period in which the Effective Time occurs, all expenses and income arising from the conduct of the business of the Facility in the ordinary course, including, without limitation, resident care revenue, trade payables, all employee benefits (including, but not limited to, salaries, bonuses, vacation time, sick time, and holiday time, including all such amounts previously earned but not yet paid and all applicable withholdings and assessments and costs associated therewith) telephone expenses and utility charges, real and

personal property taxes attributable to the Facility, including any such items held in escrow (all such income and expenses to be referred to herein as the “Prorated Items”), shall be apportioned between Transferor and New Operator as of the Effective Time, it being the agreement of the parties that Transferor shall be entitled to and responsible for all revenue, expenses and obligations arising from the operation of the Facility prior to the Effective Time and New Operator shall be entitled to and responsible for all revenue, expenses and obligations arising from the operation of the Facility after the Effective Time, except, in each case, as otherwise expressly set forth herein (including, but not limited to, the Excluded Assets). This provision shall be implemented by New Operator or Transferor, as the case may be, remitting to the other any invoices for Prorated Items that it receives that reflect a service date for which the other party is responsible and by Transferor or New Operator, as applicable, assuming responsibility for the payment of any invoices for Prorated Items that reflect a service date for which it is responsible with any overage or shortage in payments by either party to be adjusted and paid as provided in Sections 1.6 (b) and (c).

(b) All such prorations shall be made based on actual amounts where ascertainable including, without limitation, resident care revenue, trade payables, all employee benefits (including, but not limited to, salaries, bonuses, vacation time, sick time, and holiday time, including all such amounts previously earned but not yet paid and all applicable withholdings and assessments and costs associated therewith), and otherwise on the basis of actual days elapsed in the relevant accounting, billing or revenue period and shall be based on the most recent information available to Transferor. Utility charges which are not metered and read for the Closing shall be estimated based on prior charges, and shall be re-prorated upon receipt of statements therefor.

(c) To the extent possible and based on reasonable estimates, the parties shall make all prorations at the Closing. All amounts owing from one party hereto to the other party hereto that require adjustment after the Closing shall be settled within one hundred eighty (180) days after the Closing Date or, in the event the information necessary for such adjustment is not available within said one hundred eighty (180) day period, then as soon thereafter as practicable. The provisions of this section shall survive Closing.

(d) Any payments received after the Effective Date for services shall be applied first, against the outstanding account receivable due from such payor to New Operator, and, second, against the outstanding account receivable due from such payor to Transferor.

1.7 Access to Records.

(a) All: (i) resident records, resident trust account records and admission agreements (the “Resident Care Records”) for the period prior to the Effective Time; and (ii) business records relating to the operation of the Facility, including maintenance records, policies and procedures, employment records for Facility Employees, including employment applications, W-9 Forms and performance evaluations; and governmental authority compliance records (including surveys and plans of correction) for the period prior to the Effective Time (the “Operations Records”) shall remain the property of the Transferor, provided, however, that, with respect to the Resident Care Records of individuals who are or were residents of the Facility within the three year period prior to the Effective Time and the portion of the Operations Records that relate to the seven (7) year period prior to the Effective Time (the “Current Records”), Transferor shall leave all such Current Records at the Facility and shall also provide complete online access

to all Current Records stored online. New Operator shall assume responsibility for retaining the Current Records in accordance with law.

(b) Transferor may remove all Resident Care Records and Operations Records other than the Current Records from the Facility. Transferor shall file all notices required to be filed by it under applicable law (with a copy to New Operator) with respect to the location of all files.

(c) Subsequent to the Effective Time, each of New Operator and Transferor shall allow the other and its agents and representatives to have reasonable access to (upon reasonable prior notice, during normal business hours), and to make copies of, at the requesting party's expense, of the Resident Care Records and Operations Records and supporting material of the Facility relating to any period prior to or after the Effective Time, to the extent reasonably necessary to enable the requesting party to investigate and defend any claim (to include, without limitation, employee and resident claims), to file or defend tax returns and to verify payments, adjustments or allocations provided by this Agreement and involving the requesting party, which access shall not unreasonably disrupt the requested party's operations.

(d) Each of New Operator and Transferor agrees to maintain such books, records and other material comprising records of its operations of the Facility, including, but not limited to, resident records and records of resident funds, to the extent required by law, but in no event for less than seven (7) years, and thereafter each party may request that such records be retained by it upon a showing to the requested party of the requesting party's reasonable need for such records.

(e) This Section 1.8(e) is included herein because of the possible application of Section 1861(v)(1)(I) of the Social Security Act to this Agreement. If such Section 1861(v)(1)(I) should not be found applicable to this Agreement under the terms of such Section and the regulations promulgated thereunder, then this Section will be deemed not to be a part of this Agreement and shall be conclusively deemed by the parties to be null and void. Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, the New Operator will, as provided in Section 1861(v)(1)(I) of the Social Security Act and regulations promulgated thereunder, make available, upon written request, to the Secretary of Health and Human Services or to the Comptroller General of the United States or any of their duly authorized representatives, this Agreement and all books, documents and records of the New Operator that are necessary to verify the nature and extent of the costs of any services furnished pursuant to this Agreement for which payment may be made under the Medicare program. Any party receiving a request for documents or information under this provision will promptly notify the other party.

1.8 Assumed Operating Contracts and Resident Agreements. Within five (5) business days following the execution of this Agreement, Transferor shall provide New Operator with a schedule (the "Operating Contracts Schedule") of all vendor, service, maintenance, laundry, hospital transfer, hospice, pharmacy and other agreements relating to the operation of the Facility, including, if applicable, copier, telecommunications and other equipment leases (said contracts, being referred to as the "Operating Contracts"). Prior to Closing, New Operator shall notify Transferor of any Operating Contract which it desires to assume at Closing (all of the Operating Contracts to be assumed by the New Operator hereunder being collectively referred to as the

“Assumed Operating Contracts”). Transferor shall provide commercially reasonable cooperation to New Operator in connection with the assignment and assumption of all Operating Contracts to be assumed by New Operator hereunder. Each of the Operating Contracts disclosed or required to be disclosed pursuant to this Section by Transferor is a valid and binding agreement of Transferor and is in full force and effect, and neither the Transferor nor, to the knowledge of the Transferor, is any other party thereto, in default or breach in any material respect under the terms of any such agreement, contract, plan, lease, arrangement or commitment

ARTICLE II **THE CLOSING**

2.1 Time and Place of Closing. The actions contemplated to consummate the transactions under this Agreement (the “Closing”) shall occur on the last day of the month during which New Operator, or its representative or designee, has received the written, non-contingent approval from the State of Connecticut Department of Public Health of the Application (as hereinafter defined) (the “Closing Date”); provided that there are at least fourteen (14) days between the date such approval has been obtained and such last day of the month. Otherwise, the Closing shall occur on the last day of the month following the month in which such approval was obtained. The Closing shall commence at 10:00 a.m. at a location agreed by the parties or by such remote methodology as the parties may agree. Notwithstanding the actual time at which the Closing occurs, the time (the “Effective Time”) at which the Closing shall be deemed to be effective shall be 12:01 a.m. on the day immediately following the Closing Date (which shall in all cases be the first day of a month).

ARTICLE III **TRANSFEROR’S REPRESENTATIONS AND WARRANTIES**

3.1 Transferor’s Representations and Warranties Transferor represents and warrants, as of the date hereof and the Closing Date, to New Operator as follows:

(a) Organization and Standing of Transferor. Transferor is a corporation duly formed, validly existing and in good standing under the laws of the State of Connecticut. Transferor has the power and authority to own the Transferred Assets and to conduct the business presently being conducted by Transferor at the Facility.

(b) Authority. Transferor has the full power and authority to make, execute, deliver and perform this Agreement and the other instruments to be executed and delivered by it pursuant hereto (the “Transferor’s Transaction Documents”). Such execution, delivery and performance have been duly authorized by all necessary action on the part of Transferor and its members and managers, as applicable. Transferor also has the full right, power and authority to consummate the sale of the Transferred Assets and the other transactions contemplated by this Agreement. Each Person executing this Agreement on behalf of Transferor is authorized to do so. This Agreement and, upon the execution and delivery thereof in accordance with this Agreement, each of the other Transaction Documents, have been duly executed and delivered by Transferor.

(c) Binding Effect. Transferor's Transaction Documents constitute the valid and binding obligations of Transferor, enforceable against Transferor in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization and other laws now or hereafter in effect affecting creditors' rights and remedies or by equitable principles.

(d) Validity of Contemplated Transactions. To Transferor's knowledge, the authorization, execution and delivery of this Agreement and the Transferor's Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the Transferor, do not and will not, with or without the giving of notice or passage of time or both (A) violate, conflict with or result in the breach of any term or provision of or require any notice, filing or consent under (i) the certificate of formation or operating agreement of the Transferor or (ii) any statutes, laws, rules, regulations, ordinances, licenses or permits of any governmental body, authority or agency applicable to the Transferor (except for such notices to, and consents and approvals of, State and federal governmental and regulatory authorities applicable to the change of ownership of healthcare facilities) or (iii) any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental body, authority or agency binding upon the Transferor; (B) conflict with, result in the breach of any term or provision of, require any notice or consent under, give rise to a right of termination of, constitute a default under, result in the acceleration of, or give rise to a right to accelerate any obligation under any loan agreement, mortgage, indenture, financing agreement, lease or any agreement or instrument of any kind to which the Transferor is a party or by which the Transferor may be bound (except as shall be paid in full at Closing); or (C) result in any lien, claim, encumbrance or restriction on any of the Transferred Assets.

(e) Financial Statements. Transferor has previously provided to New Operator the financial statements listed on Section 3.1(e) of the Transferor Disclosure Schedule which shall include information regarding any loans or stimulus funds received from any state or governmental entity which have not yet been repaid. Such financial statements and the notes thereto, if any, are complete and accurate in all material respects and fairly present the financial condition of the Transferor at the respective dates thereof and the results of operations for the periods then ended and were prepared in accordance with the books and records of the Transferor in conformity with generally accepted accounting principles, consistently applied during the periods covered thereby (except for the absence of footnotes).

(f) Material Adverse Changes. Since the date of the most recent financial statements listed on Section 3.1(e) of the Transferor Disclosure Schedule, the Transferor has operated the Facility in the usual and ordinary course, and, except as arising in the ordinary course of business consistent with past practices, there has been no (i) acquisition or disposition of capital assets, or commitment therefor by the Transferor, (ii) increase in the compensation or employee benefits payable by the Transferor to any employee of the Facility other than scheduled increases in accordance with existing practice or policy or prior commitments, or (iii) event or condition relating specifically to the Transferor and its operation of the Facility (rather than to general economic conditions or generally to the healthcare industry, unless such conditions disproportionately affect Transferor) which has had or, together with any other events or conditions, is reasonably expected to have a material adverse effect on the Facility or the assets, financial condition or results of operation of the Transferor.

(g) Personal Property. Transferor has good and marketable title to or a valid leasehold or license interest in each item of tangible personal property included in the Transferred Assets, free and clear of any security interests, liens, restrictions and encumbrances of every kind, nature and description, except such liens and encumbrances as will be released at Closing Date. None of the Transferred Assets is subject to any (i) contract of sale or lease, or (ii) Lien, except the Permitted Liens.

(h) Contracts. The Operating Contracts Schedule set forth in Section 3.1(h) of the Transferor Disclosure Schedule includes a true and correct list as of the date of this Agreement of all outstanding Operating Contracts to which Transferor is a party. Except as disclosed on Section 3.1(h) of the Transferor Disclosure Schedule, each Operating Contract described thereon is in full force and effect; and neither Transferor, nor, to the knowledge of Transferor, any other party to such Operating Contract, is in default in any material respect thereunder; and no waiver, indulgence or postponement of Transferor's obligations thereunder has been granted by the other party or of such other party's obligations by Transferor; there exists no occurrence, event, condition or act which, upon the giving of notice or the lapse of time or both, would become a default by Transferor (or, to the knowledge of Transferor, any other party) under any such Operating Contract and, except as noted on Section 3.1(h) of the Transferor Disclosure Schedule, none of such Operating Contracts by its terms requires the consent of the other party thereto to be obtained in order to consummate its transfer to New Operator as contemplated hereby without violation thereof.

(i) Leases. The Operating Contracts Schedule set forth in Section 3.1(h) of the Transferor Disclosure Schedule contains a true and correct list of all leases of machinery, equipment and other tangible property leased by Transferor and included in the Operating Contracts. except as disclosed on Section 3.1(h) of the Transferor Disclosure Schedule, each lease described thereon is in full force and effect; all rents due on or before the date hereof on each such lease have been timely paid (there is no ongoing issue as to past rental payments that were disputed); in each case, Transferor, as lessee, has been in peaceable possession since the commencement of the original term of such lease and neither Transferor, nor, to the knowledge of Transferor, any other party to such lease, is in default in any material respect thereunder; and no waiver, indulgence or postponement of Transferor's obligations thereunder has been granted by the lessor or of lessor's obligations by Transferor; there exists no occurrence, event, condition or act which, upon the giving of notice or the lapse of time or both, would become a default by Transferor (or, to the knowledge of Transferor, any other party) under any such lease and, except as noted on Section 3.1(h) of the Transferor Disclosure Schedule, none of such leases by its terms requires the consent of the lessor thereof to be obtained in order to consummate its transfer to New Operator as contemplated hereby without violation thereof.

(j) No Undisclosed Liabilities. To Transferor's knowledge, and except as and to the extent set forth in Section 3.1(j) of the Transferor Disclosure Schedule or reflected in the Financial Statements, and except for current liabilities incurred by Transferor in connection with or with respect to the Facility in the ordinary course since the date of the most recent Financial Statement of Transferor, Transferor has no debts, liabilities or obligations of any nature or kind (whether absolute, accrued, contingent, unliquidated or otherwise, whether due or to become due and regardless of when asserted) arising out of transactions entered into at or prior to the Closing Date which could materially adversely affect the Transferred Assets.

(k) Regulatory and Legal Compliance.

(i) To Transferor's knowledge, the Facility is a duly and properly licensed residential care home with 50 licensed beds, and Transferor is in compliance with all federal, State and local statutes, laws, ordinances, judgments, decrees, orders or governmental rules, regulations, policies and guidelines applicable to the Facility. Transferor has not received any notice from any governmental or regulatory authority of any alleged violation or noncompliance that has not been cured or addressed by a plan of corrective action. Except for the Excluded Assets and Real Property, all rights, properties and assets used or necessary in the operation of the Facility are either owned by Transferor or licensed or leased to Transferor and are included in the Transferred Assets, and all such rights, properties and assets are used by Transferor in the ordinary course of its business.

(ii) To Transferor's knowledge, no action has been taken or recommended, nor is there any basis for any action, by any governmental or regulatory official, body or authority, either to revoke, withdraw or suspend its license to operate the Facility or to terminate or decertify any participation of the Facility in the Medicaid/SSI program, or to take any action of any other type (other than actions applicable to long-term care facilities generally) which would have a material adverse effect on the Facility or its operations or business.

(iii) To Transferor's knowledge, the operations of the Facility are in compliance with and do not otherwise violate the federal statutes regarding health professional self-referrals, 42 U.S.C. Section 1395nn and 42 U.S.C. Section 1396b, or the regulations promulgated pursuant to such statute, or similar state or local statutes or regulations.

(iv) Neither Transferor nor its officers, members, managers and directors, nor to the knowledge of the Transferor, any persons who provide professional services under agreements with Transferor have, in connection with their activities directly or indirectly related to Transferor, engaged in any activities which are prohibited under federal statutes, 42 U.S.C. Sections 1320a-7, 1320a-7(a) and 1320a-7b, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations or which are prohibited by rules of professional conduct, including but not limited to the following:

(A) making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment;

(B) making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment;

(C) presenting or causing to be presented a claim for reimbursement for services under any Federal health care program, including but not limited to Medicaid/SSI or any state health care program that is for an item or service that is known or should be known to be not provided as claimed, or false or fraudulent;

(D) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment;

(E) offering, paying, soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by any Federal health care program, including but not limited to Medicaid/SSI or any state health care program, or (2) in return for purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part by Medicaid/SSI or other state health care program; or

(F) making or causing to be made or inducing or seeking to induce the making of any false statement or representation (or omitting to state a fact required to be stated therein or necessary to make the statements contained therein not misleading) of a material fact with respect to (1) the conditions or operations of the Facility in order that the Facility may qualify for any Federal health care program, including but not limited to Medicaid/SSI or any state health care program certification, or (2) information required to be provided under Section 1124A of the Social Security Act (42 U.S.C. Section 1320a-3).

(v) Transferor has furnished New Operator with true, accurate and complete copies of all surveys, inspection reports, any waivers of deficiencies, plans of correction, and any similar investigation or examination reports relating to any inspections, investigations or examinations by any federal, state or local regulatory agency or administration having jurisdiction over the Facility during the past twenty four (24) months (with respect to same as to the real property only, such representation is limited to those records that are currently in the Transferor's possession) (collectively, the "Surveys"), and such Surveys do not contain any material violations of federal, state and local statutes, laws, ordinances, judgments, decrees, orders or governmental rules, regulations, policies and guidelines applicable to it except as have been cured or addressed by a plan of corrective action. For outstanding violations that may exist as of the Closing Date pursuant to Section 5.6, all deficiencies and violations have been corrected or will be corrected as of the Closing and except as set forth in Section 3.1(k)(v) of the Transferor Disclosure Schedule, there are no bans, remedies, sanctions, prohibitions on payment, or limitations in effect, pending or to Transferor's knowledge, threatened with respect to admissions to the Facility, or any licensure curtailments in effect, pending or to Transferor's knowledge, threatened with respect to the Facility; provided, however, the aforementioned representation with respect to the real property only is limited to the best of Transferor's knowledge.

(l) Cost Reports. Transferor has filed all cost reports required to be filed as of the date hereof and prior to Closing Date under applicable law. Transferor has furnished New Operator with copies of all cost reports filed by the Transferor with the appropriate State agency, with respect to the operation of the Facility for the years ended December 31, 2018, 2019, and 2020, and such cost reports did not contain, to Transferor's knowledge, any disallowable costs or expenses or any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and such cost reports have been and prior to Closing shall be prepared in all material respects in accordance with and in compliance with all applicable government rules and regulations.

(m) Life Safety Code Waivers, Etc. Section 3.1(m) of the Transferor Disclosure Schedule contains a complete and accurate list of all decertification proceedings or licensure revocations, and termination or suspension proceedings affecting the Real Property during the prior twenty-four (24) months and any life safety code waivers.

(n) Inventory. The Facility maintains an adequate supply of inventory, supplies, linens, medicine, foodstuffs and other similar items as may be necessary for the proper operation thereof and in compliance with all applicable governmental rules, regulations, policies and guidelines.

(o) Litigation. Except as set forth on Section 3.1(o) of the Transferor Disclosure Schedule, there are no actions, suits (including, but not limited to, class action or third party suits or actions concerning reimbursements), or legal, administrative, arbitration or other proceedings or governmental investigations pending or, to the best of the Transferor's knowledge, threatened against the Transferor or relating to the Transferred Assets or this Agreement before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, and, the Transferor is not a party to or subject to provisions of any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official, body or authority. Whether with respect to ownership or operation of the Transferred Assets or otherwise, Transferor has not received any written allegation of, and to Transferor's knowledge, has not been investigated in connection with, or received an adverse order, decree, judgment or stipulation in any proceeding relating to, any false or fraudulent claims under any state or federal health care program.

(p) Insurance. (i) Section 3.1(p) of the Transferor Disclosure Schedule discloses the insurance policies covering the ownership and operations of the Transferred Assets and the Facility, showing the policies' numbers, terms, type, identity of insurers, amounts and coverage. All of such policies are now and will be until the Closing Date in full force and effect with no premium arrearages. True and correct copies of all such policies and any endorsements thereto have been or will be delivered to the New Operator prior to the Closing. The Facility maintains, and has maintained, without interruption, adequate and sufficient policies or binders of insurance covering such risks and events, including personal injury, property damage and general liability, as are maintained by similar facilities in the ordinary course of business.

(ii) Transferor has not received any notice or request from any insurance company or board of fire underwriters setting forth any defects or inadequacies in the Transferred Assets which might affect the insurability thereof, or requesting the performance of any work or alteration of the Transferred Assets, or identifying any defect or inadequacy in the operations thereof that would materially and adversely affect the prospective ability to operate the Facility as a residential care home with the number of beds applicable to the Facility. To Transferor's knowledge, there are not any claims, requirements or demands of any licensing or certifying agency supervising or having authority over the Facilities to rework or redesign it or to provide additional furniture, fixtures, equipment or inventory so as to conform or comply with any existing law, code or standard which has not been fully satisfied prior to the date hereof or which will not be satisfied prior to the Closing.

(q) Permits. The Transferor and the Facility have all certificates of need, licenses, permits, approvals and other governmental authorizations and waivers (collectively, the “Permits”) for the operation of the Facility as a residential care home and as are necessary in order to enable it to conduct its business as now conducted, including all Permits necessary for the generation, transport, storage, treatment, handling, release, emission, discharge and disposal of medical wastes, solid or hazardous wastes, hazardous substances and/or pollutants, except for such Permits, the absence of which would not cause a material adverse effect upon the operations of the Facility. Section 3.1(q) of the Transferor Disclosure Schedule is an accurate list and copy of all such Permits. All of said Permits are in full force and effect and the Transferor has not received any notice, nor has any reason to believe, that any of such Permits may or shall be rescinded, revoked, terminated, suspended or not renewed. Transferor has not received notice from any governmental authority or other person of, nor has any knowledge of, any violation of zoning, building, fire, health, environmental, or other statutes, ordinances, regulations or orders (including, without limitation, those respecting the Americans with Disabilities Act), or any restriction, condition, covenant or consent in regard to the Facility or any part thereof which have not been corrected to the satisfaction of the issuer.

(r) Environmental Matters. To the best of Transferor’s knowledge, the Facility is in compliance with all federal, state or local laws, ordinances, rules, regulations, orders or directives or under common law relating to the environment (“Environmental Laws and neither the Transferor, nor, to the Transferor’s knowledge, any other party, has caused any hazardous wastes or hazardous substances (as defined in any applicable Environmental Law) to enter into the soil or groundwater of the Facility.

(s) Employees; Employee Benefit Plans. Transferor shall provide New Operator with a true and complete list of all pension, profit sharing, retirement, deferred compensation, stock purchase, stock option, incentive, bonus, vacation, severance, disability, hospitalization, medical insurance, life insurance and other employee benefit plans, programs or arrangements, maintained by the Transferor (other than obligations to make current wage or salary payments) in respect of, or which otherwise cover, any of the current employees of the Facility, or their beneficiaries (hereinafter individually referred to as a “Plan” and collectively referred to as the “Plans”). The Transferor has made available or delivered to the New Operator true and complete copies of all documents, as they may have been amended to the date hereof, embodying or relating to the Plans. None of the employees employed at the Facility are a party to any employment agreement, consulting agreement, collective bargaining agreement, or similar contract, commitment or arrangement which, after the giving of notice, cannot be terminated at will by Transferor, nor will any such agreement be binding upon New Operator. The Transferor shall be fully liable and obligated in respect of, and New Operator shall have no liability or obligation in respect of, any unemployment or workers' compensation benefits or any liability arising out of wrongful discharge, sexual harassment, employment discrimination or unfair labor practices or any other violation of any applicable federal, state or local employment law, rule or regulation, in each case, for the period prior to the Closing Date.

(t) Licensed Bed and Current Rate Schedule. The Transferor has provided to New Operator a true, correct and complete statement, as of a recent date, of (i) the number and type of licensed beds at the Facility, (ii) the current rates charged by the Facility to its residents

and (iii) the number of beds or units presently occupied in, and the occupancy percentage at, the Facility.

(u) Utilities. All utilities customary for a building similar in size, location and use of the Facility are installed and available to the Facility in an amount adequate and sufficient for the purpose of operating the Facility in the manner operated by Transferor as of the date of this Agreement.

(v) Related Party Transactions. Section 3.1(y) of the Transferor Disclosure Schedule specifies all entities that are “related” through common ownership or control to Transferor under the Medicare definition of such term, or the definition of such term under the State Medicaid/SSI program, that have transacted business with Transferor or the Facility. For each such entity, Section 3.1(y) of the Transferor Disclosure also states the nature of the transaction and the nature of the relationship.

(w) Personal Needs Allowances. Transferor and the Facility are, to the best of Transferor’s knowledge, currently in material compliance with all provisions of applicable law relating to maintaining and accounting for the personal needs allowance (“PNA”) for residents who request the establishment of a PNA account. Except as set forth in Section 3.1(w) of the Transferor Disclosure Schedule, Transferor has no knowledge of and has not received any notice from any Governmental Authority citing or alleging any violation by Transferor or the Facility of applicable law.

(x) Audits. Except as set forth in Schedule 3.1(x) of the Transferor Disclosure Schedule, there have been no audits or payment reviews by any third-party payors, other reimbursement sources, or any governmental authority or utilization review companies which have had a material adverse impact on the utilization of the beds at the Facility.

(y) Finder's Fee. Transferor has dealt with no real estate broker, investment banker, person, firm or entity who would, by reason of such dealings be able to claim a real estate brokerage, business opportunity, brokerage or finder's fee as the procuring cause of this transaction.

(z) Immigration and Nationality Act. To Transferor’s knowledge, Transferor is in material compliance with the terms and provisions of the Immigration and Nationality Act (the “Immigration Act”) for each of Transferor's employees for whom compliance with the Immigration Act is required. Transferor has obtained and has retained a complete and true copy of each of Transferor's employees' Form 1-9 (Employment Eligibility Verification Form) and all other records or documents prepared, procured or retained by Transferor pursuant to the Immigration Act. Transferor has not been cited, fined, served with a notice of intent to fine or with a cease and desist order, nor, to the best knowledge of Transferor, has any action or administrative proceeding been initiated or threatened against Transferor by reason of any actual or alleged failure to comply with the Immigration Act.

(aa) Taxes. (i) All taxes including, without limitation, income, property, sales, use, franchise, value added, employees' income withholding and social security taxes, imposed by the United States or by any state, municipality, subdivision or instrumentality of the United States,

or by any other taxing authority and all other requirements relating to taxing authorities which are due and owing and/or which are due and payable by Transferor in connection with the ownership and leasing of the Transferred Assets, and all interest and penalties thereon, whether disputed or not (hereinafter, the “Taxes”), have been paid in full, (ii) all Tax returns required to be filed in connection therewith have been accurately prepared and duly and timely filed, (iii) Transferor is not delinquent in the payment of any Tax, assessment or governmental charge in connection with the Transferred Assets and Transferor has no Tax deficiency or claim outstanding or assessed against it in connection with the ownership and leasing of the Transferred Assets, (iv) no Tax returns of Transferor required to be filed have been or are being examined by the Internal Revenue Service or any state or local taxing authority and to Transferor’s knowledge no such examinations are pending, and (v) there have been no waivers of statutes of limitations with respect to any Taxes of Transferor required to be filed in connection with the Transferred Assets. All personnel have been characterized correctly as employees or independent contractors according to the rules of the IRS. There are no liens for Taxes (other than for current Taxes not yet due and payable) upon any of the Transferred Assets. None of the Transferred Assets (i) is property which is required to be treated as being owned by any other person pursuant to the so-called "safe harbor lease" provisions of former Section 168(f)(8) of the Code, (ii) directly or indirectly secures any debt the interest on which is tax exempt under Section 103(a) of the Code, or (iii) is "tax-exempt use property" within the meaning of Section 168(h) of the Code. The transactions contemplated by this Agreement are not subject to the tax withholding provisions of Code Section 3406, or of subchapter A of Chapter 3 of the Code or of any other provision of law.

(bb) Prepaid Deposits and Funds on Account. Transferor has no deposits, prepayments or other funds on account which relate to the ongoing operations or services to be rendered by New Operator on or after the Closing Date.

ARTICLE IV

NEW OPERATOR’S REPRESENTATIONS AND WARRANTIES

4.1 New Operator’s Representations and Warranties. New Operator represents and warrants, as of the date hereof and the Closing Date, to Transferor as follows:

(a) Organization and Standing of New Operator. New Operator is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Connecticut. New Operator has the power and authority to own the property and assets now owned by it and to conduct the business presently being conducted by it.

(b) Authority. New Operator has the full power and authority to make, execute, deliver and perform this Agreement including the instruments executed and delivered by it pursuant hereto (the “New Operator’s Transaction Documents”, collectively with the Transferor’s Transaction Documents, the “Transaction Documents”). Such execution, delivery, performance and consummation have been duly authorized by all necessary action, corporate or otherwise, on the part of New Operator.

(c) Binding Effect. New Operator’s Transaction Documents, when executed by New Operator, constitute the valid and binding obligations of New Operator, enforceable

against New Operator in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization and other laws now or hereafter in effect affecting creditors' rights and remedies or by equitable principles.

(d) Validity of Contemplated Transactions. The authorization, execution and delivery of this Agreement and the New Operator's Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the New Operator, do not and will not, with or without the giving of notice or passage of time or both (A) violate, conflict with or result in the breach of any term or provision of or require any notice, filing or consent under (i) the organizational documents of the New Operator or (ii) any statutes, laws, rules, regulations, ordinances, licenses or permits of any governmental body, authority or agency applicable to the New Operator (except for such notices to, and consents and approvals of, State and federal governmental and regulatory authorities applicable to the change of ownership of healthcare facilities) or (iii) any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental body, authority or agency binding upon the New Operator; or (B) conflict with, result in the breach of any term or provision of, require any notice or consent under, give rise to a right of termination of, constitute a default under, result in the acceleration of, or give rise to a right to accelerate any obligation under any loan agreement, mortgage, indenture, financing agreement, lease or any agreement or instrument of any kind to which the New Operator is a party or by which the New Operator may be bound.

(e) Finder's Fee. New Operator has dealt with no real estate broker, investment banker, person, firm or entity who would, by reason of such dealings be able to claim a real estate brokerage, business opportunity, brokerage or finder's fee as the procuring cause of the transaction contemplated hereby.

ARTICLE V

OBLIGATIONS OF THE PARTIES PRIOR TO CLOSING

5.1 Regulatory Approvals. Transferor shall cooperate with New Operator in connection with the obtaining of the licensure of New Operator as the operator of the Facility ("New Operator License"). Within five (5) days of the issuance or receipt thereof, and, in any event, prior to the Closing, New Operator shall provide to Transferor evidence of New Operator's receipt of the New Operator License or approval of Connecticut Department of Public Health ("DPH") to issue the same. Transferor shall cooperate with New Operator and shall promptly execute and deliver all forms and other documentation to be executed by it in connection with the foregoing.

5.2 Condition of Facility. Between the Execution Date and the Closing Date, except as otherwise permitted under this Agreement, Transferor shall: (a) maintain the Facility in substantially the same condition as the Facility is in as of the Execution Date, ordinary wear and tear excepted; (b) operate the Facility in compliance with all applicable laws, rules and regulations and in the ordinary course and in substantially the same manner as the Facility was operated before the Execution Date, including all marketing, advertising and other efforts to attract and retain residents; (c) maintain not less than the minimum amount of supplies as may be required under

applicable law and as shall be necessary for the proper operation of the Facility consistent with industry standards; (d) take no actions to close the Facility, change the number of licensed beds, or change the Medicaid/SSI certification status of the Facility; (e) promptly notify New Operator upon becoming aware of any third party claims or action that will give rise to any filings, or actual filings, with any regulatory or government agencies that affect Transferor or the Facility; (f) maintain in force the existing property, hazard and liability insurance policies, or comparable coverage, for the Facility as now in effect; (g) other than in the ordinary course of business with the prior consent of New Operator, not enter into any new leases or contracts or change any lease or contract or perform any action that would negatively affect the value of the Transferred Assets or the Facility; (h) maintain all of its books and records in accordance with past practices; (i) keep in full force and effect, without qualification or limitation, all Licenses and Permits currently in effect with respect to the Facility and the Real Property; (j) satisfy and discharge all claims, liens, security interests, tenancies, liabilities or other financial obligations which constitute a lien or encumbrance on any of the Transferred Assets (other than Permitted Liens); (k) file all returns, reports and filings of any kind or nature, including but not limited to, cost reports, required to be filed by Transferor on a timely basis; and (l) pay when due (or withhold and pay over, as required) all payables, debts, taxes, assessments, charges, and levies imposed upon Transferor, the Transferred Assets, the Facility or the Real Property (or any portion thereof), but shall have the right to challenge any such taxes, assessments, charges and levies following payment thereof and procedures established by the taxing authority.

5.3 Costs of Implementing Corrective Measures. New Operator shall be responsible for all Ordinary Corrective Measures and all Facility Corrective Measures resulting from governmental surveys received in connection with any change in licensure application or resulting from any actions conducted after the Closing Date.

5.4 Access. Transferor shall afford to officers, equity holders, managers, directors, employees, accountants, contractors, consultants, counsel and other representatives of New Operator reasonable access, during regular business hours, and upon reasonable prior written notice, to all of the assets, properties, personnel, books and records of Transferor, subject to arrangements mutually acceptable to Transferor and New Operator.

5.5 Prohibited Actions Pending the Closing. Between the Execution Date and the Closing Date or the earlier termination of this Agreement, Transferor shall not, except as otherwise consented to by New Operator in writing: (a) create or assume any new mortgage, security interest or other lien that is not prepayable, of any nature upon any of the Transferred Assets, except in the aggregate amount of less than \$20,000 and incurred in the ordinary course of business; (b) except in the ordinary course of business, sell, assign or otherwise transfer or dispose of any Transferred Asset and, if valued in excess of \$1,000.00 per item, without obtaining a comparable replacement; (c) make any new commitment with any third party for capital expenditures or capital additions or improvements under which payment or expenditure obligations exceeding \$10,000 individually or \$25,000 in the aggregate; (d) (1) increase in any manner the rate or terms of compensation or benefits of any of its employees, except as may be required under existing employment agreements and except in connection with any, if any, retention bonuses offered by Transferor, in Transferor's sole discretion, to key employees (collectively, the "Retention Bonuses"), (2) hire any new employees except in the ordinary course of business consistent with past practices, (3) pay or agree to pay any pension, retirement allowance or other employee benefit not required or permitted by

any existing benefit plan or other agreement or arrangement to any such director, officer or employee, whether past or present except in connection with any, if any, Retention Bonuses or (4) enter into or amend any employment, bonus, severance or retirement contract or adopt or amend any benefit plan except in connection with any, if any, Retention Bonuses; (e) enter into any contract with any governmental authority; (f) cease using the name Scofield Manor or related trade/service marks; (g) take any action which would prevent performance of its obligations under this Agreement; (h) knowingly take or agree or commit to take any action that would make any representation and warranty of Transferor hereunder inaccurate in any material respect; (i) modify any accounting policies, procedures or methods or (j) agree or commit to do any of the foregoing.

5.6 Tail Insurance. At the Closing, Transferor shall procure “tail” (property and casualty) coverage insurance for claims made against Transferor which took place, accrued or arose prior to the date of Closing, and provide evidence at Closing to New Operator that such tail coverage has been procured. The tail coverage shall have the same coverage terms as the insurance currently in effect. Transferor shall cause such tail coverage insurance to remain in place for twenty-four (24) months following the Closing Date.

5.7 Notices of Certain Events. The Transferor shall promptly notify the New Operator of:

- a. any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement, including copies of all correspondence to or from any party having or claiming to have any right of first offer or first refusal to purchase the Facility;
- b. any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement and any notice or other communication from (i) any payors, or (ii) any licensing authorities;
- c. any actions, suits, claims, investigations or proceedings commenced or, to the knowledge of the Transferor, threatened in writing relating to or involving or otherwise affecting the Transferor, the Transferred Assets or the Transferor’s business that, if it had existed on the date of this Agreement, would have been required to have been disclosed pursuant to Article III or that relate to the consummation of the transactions contemplated by this Agreement; and
- d. any matter arising or discovered after the date hereof that, if existing or known on the date of this Agreement, would have been required to be disclosed pursuant to the terms hereof, or that constitutes a breach or prospective breach of this Agreement by the Transferor. The delivery of any such notice shall not affect the New Operator's remedies hereunder.

5.8 Transition Services. For a period of up to thirty (30) days following the Effective Time (the “Transition Period”), the Transferor, upon the reasonable request of the New Operator agrees to use commercially reasonable efforts to cooperate in good faith to provide transition services to the New Operator with respect to the transition of telephone, electronic mail and other information technology utilized by the Facility and all computer software used for keeping the financial records of the Facility (the “Transition Services”), provided, however, that the Transferor shall not be required to incur any out-of-pocket expense. New Operator shall compensate COC, at COC’s standard rates, for any such Transition Services performed by COC after the expiration of the Transition Period.

5.9 Repayment Obligations. The Transferor shall repay or make arrangements to repay to all Governmental Authorities with jurisdiction over the Facility (including the Connecticut Department of Public Health, Connecticut Department of Social Services, and U.S. Department of Health and Human Services) any amounts owed to such Governmental Authorities by the Transferor with respect to the ownership of the Facility or the operation of the Facility prior to the Effective Time (including without limitation (i) all depreciation recapture or other adjustment which may arise as a result of any health care reimbursement cost report adjustments, audit adjustments, disallowances or reclassifications, including any adjustments or recoupments related to any interim rates granted to Transferor (ii) any loss realized by the Transferor as a result of a rebasing of the Facility's reimbursement rate due to any improper billing or cost reporting procedures on the part of the Transferor prior to the Effective Time or (iii) other penalties or payment adjustments pertaining to Medicaid/SSI for services provided prior to the Effective Time by the Transferor (i), (ii) and (iii) are collectively referred to herein as the "Repayment Obligations"). The parties acknowledge that underpayments to the Transferor by the Medicaid/SSI program for periods ending prior to the Effective Time which are discovered after the Closing, whether in connection with an audit of the Facility or otherwise shall be paid to Transferor and shall be subject to the indemnification provisions set forth in Article IX. The Transferor, at its own expense, shall have the right to file whatever appeals or objections are available to challenge any amounts due which may become Repayment Obligations.

5.10 Cost Reports. Transferor shall be responsible for accurately completing and filing on a timely basis all Medicaid Cost Report, including stub period filings, for the period up to the Closing Date. Transferor shall provide New Operator copies of final Medicaid Cost Report previously filed or filed prior to Closing within three (3) days after filing. New Operator shall be responsible for completing and filing Medicaid Cost Report for the periods beginning on and after the Closing Date. Each of the parties shall provide reasonable access to their respective employees and the records to the other party for the purpose of completing all such Cost Reports.

ARTICLE VI

CONDITIONS PRECEDENT TO NEW OPERATOR’S OBLIGATIONS

Unless waived by New Operator, its obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction, prior to or at the Closing, of each of

the following conditions. Upon failure of any of the following conditions, New Operator may terminate this Agreement pursuant to and in accordance with Article VIII.

6.1 Representations and Warranties. The representations and warranties of Transferor contained in this Agreement or on any Schedule or in any Transaction Document (a) that are not qualified by materiality shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time and (b) that are qualified by materiality shall be true and correct in all respects at and as of the Closing Date as though such representations and warranties were made at and as of such time.

6.2 Performance of Covenants. Transferor shall have performed or complied with each of its agreements and covenants required by this Agreement to be performed or complied with by it prior to or at the Effective Time.

6.3 Delivery of Closing Certificate and Good Standing. Transferor shall have executed and delivered to New Operator a certificate in the form and substance of Exhibit 6.3, attached hereto and made a part hereof, together with a subsistence certificate or certificate of legal existence of Transferor, issued by the Secretary of State of the State of Connecticut, dated no earlier than thirty (30) calendar days prior to the Closing Date.

6.4 Transferred Assets at Closing. Transferor shall have executed and delivered the Bill of Sale substantially in the form and substance of Exhibit 6.4 (“Bill of Sale”) attached hereto and made a part hereof.

6.5 Assignment and Assumption of Contracts. Transferor shall have executed and delivered an assignment and assumption of the Assumed Operating Contracts substantially in the form and substance of Exhibit 6.5 (“Assignment and Assumption of Contracts”), attached hereto and made a part hereof.

6.6 Resident Trust Funds and Resident Deposits. Transferor shall have executed and delivered an assignment and assumption of Resident Trust Funds and Resident Deposits substantially in the form and substance of Exhibit 6.6 (“Assignment and Assumption of Resident Trust Funds”), attached hereto and made a part hereof.

6.7 Regulatory Approvals. New Operator shall have received the New Operator License, or otherwise shall have received such assurances or approvals for its issuance as New Operator shall reasonably deem sufficient.

6.8 Operating Lease. The Operating Lease between Transferor and Real Property Owner shall be terminated effective as of the Closing Date. As of the Closing Date, Smith House Operating, LLC (an entity controlled by Mr. Charles-Edouard Gros and/or Mr. Shlomo Boehm) (“Smith House Operating”), which currently leases 88 Rock Rimmon Road, Stamford, Connecticut, including 614 Scofieldtown Road, Stamford, Connecticut pursuant to a lease agreement by and between Smith House Operating and the City of Stamford (the “Smith House Lease”), or permitted assignee, shall enter into an amended and restated lease by the City and Smith House Operating, effective as of the Closing Date, to incorporate the Facility in the Smith House Lease and upon such other terms and conditions as the New Operator deems necessary (the “Amended and Restated Lease”). If New Operator and the City shall fail to enter

into the Amended and Restated Lease, or if New Operator otherwise determines, in its sole and absolute discretion, that the City has imposed other unacceptable conditions on New Operator's leasing of the Facility, then New Operator shall have the right, at its option to terminate this Agreement.

6.9 No Legal Action. Prior to the Closing Date, no action, suit, investigation, other proceeding or claim shall have been instituted before any court or before or by any government or governmental agency or instrumentality seeking either (1) to impose any restriction, limitations or conditions with respect to the transactions contemplated by this Agreement which will prevent or enjoin the consummation of the transactions contemplated herein, or (2) to obtain damages or other relief against New Operator in connection with such transactions.

6.10 General Assignment. Transferor shall have executed and delivered a general assignment substantially in the form and substance of Exhibit 6.10 ("General Assignment"), attached hereto and made a part hereof.

6.11 Material Change. There shall have been no change in the business, properties, operations or condition (financial, title, licensing, environmental or otherwise) of Transferor or the Facility that has or will have a material adverse effect, which has not been cured to New Operator's satisfaction

6.12 Default. There shall be no material default on the part of Transferor or any other party under any agreement to be assigned to, or obligation to be assumed by, New Operator under this Agreement.

6.13 DSS. New Operator shall, at its sole cost and expense, obtain written confirmation from the Department of Social Services ("DSS") that the per diem rate for State aided Medicaid/SSI residents at the Facility to be paid to New Operator after the Closing will not be less than those rates currently in effect as of the date of this Agreement. If New Operator shall fail to obtain such confirmation, or if New Operator otherwise determines, in its sole and absolute discretion, that DSS has imposed other unacceptable conditions on New Operator's right to receive Medicaid reimbursement for residents at the Facility after the Closing, then New Operator shall have the right, at its option to terminate this Agreement.

6.14 Other Documents. Transferor shall have furnished New Operator with all other documents, certificates and other instruments required to be furnished to New Operator by Transferor pursuant to the terms hereof.

ARTICLE VII
CONDITIONS PRECEDENT TO TRANSFEROR'S OBLIGATIONS

Unless waived by Transferor, its obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction, prior to or at the Closing, of each of the following conditions.

7.1 Representations and Warranties. The representations and warranties of New Operator contained in this Agreement or any other Transaction Document (a) that are not qualified by materiality shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time and (b) that are qualified by materiality shall be true and correct in all respects at and as of the Effective Time as though such representations and warranties were made at and as of such time.

7.2 Performance of Covenants. New Operator shall have performed or complied in all material respects with each of its agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Effective Time.

7.3 Delivery of Closing Certificate and Good Standing. New Operator shall have delivered to Transferor a certificate in the form and substance of Exhibit 7.3, attached hereto and made a part hereof, together with a subsistence certificate or certificate of legal existence of New Operator, issued by the Secretary of State of the State of Connecticut, dated no earlier than thirty (30) calendar days prior to the Closing Date.

7.4 Closing Documents. New Operator shall have executed and delivered each of the (1) the Bill of Sale, (2) Assignment and Assumption of Contracts and (3) General Assignment.

7.5 Resident Trust Funds. New Operator shall have executed and delivered the Assignment and Assumption of Resident Trust Funds.

7.6 Assumption of Assumed Liabilities. New Operator shall have executed and delivered an assumption of liabilities substantially in the form and substance of Exhibit 7.6 ("Assumption of Liabilities"), attached hereto and made a part hereof, pursuant to which New Operator shall assume and agree to discharge and perform the Assumed Liabilities to be assumed by it hereunder.

7.7 Regulatory Approvals. New Operator shall have received the New Operator License or otherwise shall have received such assurances or approvals for its issuance as Transferor shall reasonably deem sufficient.

7.8 No Legal Action. No action, suit, investigation, other proceeding or claim shall have been instituted before any court or before or by any government or governmental agency or instrumentality seeking either (1) to impose any restriction, limitations or conditions with respect to the transactions contemplated by this Agreement which will prevent or enjoin the consummation of the transactions contemplated herein, or (2) to obtain damages or other relief against Transferor in connection with such transactions.

7.9 Other Documents. New Operator shall have furnished Transferor with all other documents, certificates and other instruments required to be furnished to Transferor by New Operator pursuant to the terms hereof.

ARTICLE VIII

TERMINATION

8.1 Termination. In addition to the express provisions contained herein regarding termination of this Agreement, this Agreement may be terminated at any time prior to the Closing Date by either party upon five (5) days written notice or immediately by either party if the representations and warranties of the other party are not true and correct in all material respects on and as of the Closing Date.

ARTICLE IX

INDEMNIFICATION

9.1 Indemnification by Transferor. Transferor shall indemnify and defend New Operator and New Operator's officers, agents, representatives, employees, heirs, successors and assigns and hold them harmless against and with respect to any and all damage, loss, claim, action, demand, liability, cost and expense (including, without limitation, reasonable attorney's fees and expenses) (all of the foregoing hereinafter collectively referred to as "Loss") resulting from (i) any third party, including any governmental claim arising from or related to the operation of the Facility prior to and ending on the Effective Time, (ii) Transferor's failure to pay, discharge or perform any of the Excluded Liabilities, (iii) the failure of any representation or warranty of Transferor set forth in this Agreement to be true and correct as of the Closing Date as though such representations and warranties were made at and as of such date, (iv) the failure of Transferor to comply with any covenant or obligation set forth herein, (v) all tax liabilities of Transferor, and (vi) fraud of Transferor, (vii) the operation of the Facility prior to the Effective Time, and (viii) claims made by or relating to any employee of the Facility relating to the period prior to the Effective Time.

9.2 Indemnification by New Operator. New Operator shall indemnify and defend Transferor and its officers, agents, representatives, employees, heirs, successors and assigns and hold them harmless against and with respect to any and all Losses (including, but not limited to, reasonable attorneys' fees) resulting from (i) New Operator's failure to pay, satisfy, discharge or perform the Assumed Liabilities or Assumed Operating Contracts from and after the Closing Date, (ii) the failure of any representation or warranty of New Operator to be true and correct at and as of the Closing Date as though such representations and warranties were made at and as of such date, (iii) any inaccuracies or liabilities arising solely or in part from New Operator's actions or omissions after the Closing Date, which are disclosed in any audits performed with respect to periods of time after the Closing Date and (iv) the failure of New Operator to comply with any covenant or obligation set forth herein.

9.3 Control of Defense of Indemnifiable Claims. Each party hereto who is entitled under the terms of this Agreement to indemnification (each, an “Indemnitee”) from the other party hereto (the “Indemnitor”) shall give the Indemnitor prompt notice of each claim for which it seeks indemnification. A claim for indemnification for any matter not involving a third-party claim shall be asserted by notice to the Indemnitor promptly following receipt by the Indemnitee of information giving rise to such claim, and such notice shall state with reasonable specificity the nature and basis of the claim and the amount thereof, to the extent known at such time. A claim for indemnification for any matter involving a third-party claim shall be made against the Indemnitor promptly after receipt by the Indemnitee of notice of the commencement of any proceeding against the Indemnitee. Failure to timely notify the Indemnitor will not relieve the Indemnitor of any liability it may have to the Indemnitee, except to the extent the Indemnitor’s defense of such action is prejudiced by the Indemnitee’s failure to timely deliver such notice. The Indemnitor, upon written authorization by the Indemnitee, will be entitled to assume the defense of such claims (unless the Indemnitor is also a party to such claim and joint representation would be inappropriate) and, after notice to the Indemnitee of its election to assume the defense of such claim, the Indemnitor will not be liable to the Indemnitee for any fees of other counsel or any other expenses with respect to the defense of such claim. If the Indemnitor assumes the defense of a claim, no compromise or settlement of such claims may be effected by the Indemnitor without the Indemnitee’s prior consent (such consent not to be unreasonably withheld, conditioned or delayed) unless (i) there is no finding or admission of any violation of legal requirements or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnitee, and (ii) the sole relief provided is monetary damages that are paid in full by the Indemnitor. If notice is given to an Indemnitor of the commencement of any claim and the Indemnitor does not, within ten days after the Indemnitee’s notice is given, give notice to the Indemnitee of its election to assume the defense of such claim, the Indemnitor will be bound by any determination made in such claim or any compromise or settlement effected by the Indemnitee, and Indemnitor shall be responsible for any and all legal costs in connection with Indemnitee’s defense of such claim.

9.4 Other Claims. New Operator acknowledges and agrees that it has no claim or any contractual relationship with Real Property Owner and further has no claim nor any contractual relationship with the shareholders of Real Property Owner.

9.5 Survival. The representations and warranties of the Transferor and New Operator set forth in this Agreement shall survive for a period of three (3) years.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Drafting. The parties hereto have carefully reviewed and negotiated the terms of this Agreement and the Transaction Documents, and Transferor and New Operator hereby acknowledge and agree that they have had a full and fair opportunity to review and negotiate the

Agreement and the Transaction Documents with the advice of its counsel. Therefore, there shall be no presumption in favor of the non-drafting party.

10.2 Costs and Expenses. Except as expressly otherwise provided in this Agreement, each party hereto shall bear its own costs and expenses in connection with this Agreement and the transactions contemplated hereby.

10.3 Performance. In the event of a breach by either party of its obligations hereunder, the other party shall have the right, in addition to any other remedies which may be available, to obtain specific performance of the terms of this Agreement and injunctive relief, and the breaching party hereby waives the defense that there may be an adequate remedy at law.

10.4 Benefit and Assignment. This Agreement binds and inures to the benefit of each party hereto and its successors and proper assigns. New Operator may assign its rights and obligations under this Agreement with the prior consent of Transferor, such consent not to be unreasonably withheld, conditioned or delayed, provided, however, consent of Transferor shall not be required for an assignment to a Permitted Assignee. New Operator shall be an entity 51% or more controlled by Mr. Charles-Edouard Gros and/or Mr. Shlomo Boehm. A “Permitted Assignee” shall mean one or more entities 51% or more controlled by Mr. Charles-Edouard Gros and/or Mr. Shlomo Boehm (“Permitted Assignee”).

10.5 Effect and Construction of this Agreement. The captions used herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement. All gender employed in this Agreement shall include all genders, and the singular shall include the plural and the plural shall include the singular whenever and as often as may be appropriate. When used in this Agreement, the term “including” shall mean “including but not limited to.”

10.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice, or the next business day after being sent, overnight service, by nationally recognized overnight courier, or upon receipt after being mailed by certified or registered mail (return receipt requested), in each case, postage prepaid, registered or certified mail, properly addressed to the party entitled to receive such notice at the address stated below:

If to New Operator: [Scofield Operating LLC]
460 Bayview Avenue
Inwood, NY 11096
Attn: Charles-Edouard Gros
mrgros@gmail.com

with a copy to: Murtha Cullina LLP
265 Church Street, 9th Floor
New Haven, CT 06510
Attn: Heather O. Berchem, Esq.
hberchem@murthalaw.com

If to Transferor: Stamford Elderly Housing Corporation
40 Clinton Avenue, Suite 101
Stamford, Connecticut 06901
Attn: Vincent J. Tufo, Secretary

Housing Authority of the City of Stamford
d/b/a Charter Oak Communities
22 Clinton Avenue
Stamford, Connecticut 06901
Attn: Vincent J. Tufo, CEO

with a copy to: Hoopes Morganthaler Rausch & Scaramozza LLC
CityPlace II
185 Asylum Street
Hartford, CT 06103
Attn: Melanie S. Rausch

10.7 Waiver, Discharge, etc. This Agreement shall not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing executed by or on behalf of each of the parties hereto by their duly authorized officer or representative. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

10.8 Rights of Persons Not Parties. Nothing contained in this Agreement shall be deemed to create rights in persons not parties hereto, other than the successors and proper assigns of the parties hereto.

10.9 Governing Law; Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, without regard to any contrary rules relating to the choice or conflict of laws. The parties agree that the Courts in the State of Connecticut shall have exclusive jurisdiction over any dispute related to this Agreement.

10.10 Severability. Any provision, or distinguishable portion of any provision, of the Agreement which is determined in any judicial or administrative proceeding to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties waive any provision of law which renders a provision hereof prohibited or unenforceable in any respect.

10.11 Entire Agreement. This Agreement including the schedules, exhibits and the other Transaction Documents, together with the Lease Agreement and the agreements and instruments referenced therein, constitute the entire agreement between the parties hereto with respect to the

subject matter hereof and thereof, and there are no agreements, understandings, restrictions, warranties, or representations between the parties with respect to the subject matter hereof other than as set forth herein or therein.

10.12 Post-Closing Assistance. After the Closing, each party (a “Requesting Party”) shall, from time to time, upon written request therefore, execute and deliver to any other party, any confirmatory instruments which such Requesting Party may reasonably request in order to consummate the transactions contemplated under this Agreement and/or under the Transaction Documents.

10.13 Confidentiality.

(a) New Operator agrees that, between the Execution Date and the Closing Date (or thereafter if the Closing does not occur), without the prior written consent of Transferor, it shall not disclose any information to be provided or previously provided by Transferor in connection with the transactions contemplated herein (the “Transferor Confidential Information”) to any third party, except as provided herein or as required by law. New Operator agrees that the Transferor Confidential Information shall be used solely for the purposes of its investigation of the Facility, the operation of the Facility, facilitating an orderly transition with respect to operations of the Facility, providing continuing resident care for residents of the Facility, and not in any way directly or indirectly detrimental to Transferor. In addition, New Operator agrees to disclose Transferor Confidential Information only to New Operator's employees, officers, agents, contractors, consultants and representatives who have a legitimate need to know such information and who shall: (a) be advised by New Operator of the confidentiality provisions of this Agreement; and (b) agree with New Operator to be bound by the confidentiality provisions hereof. New Operator shall be responsible for any breach of this Agreement by any of New Operator's representatives (including employees who, subsequent to the first date of disclosure of Transferor Confidential Information hereunder, become former employees, if disclosed during term of employment). New Operator agrees, at its sole expense, to take all reasonable measures, including but not limited to court proceedings, to restrain New Operator's representatives (and former employees) from unauthorized disclosure or use of Transferor Confidential Information.

(b) New Operator hereby acknowledges that if any breach of this section occurs, Transferor would be irreparably and immediately harmed and could not be made whole by monetary damages. Accordingly, in addition to any other remedy to which it may be entitled in law or in equity, Transferor shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and/or to compel specific performance of this section, and New Operator shall not oppose the granting of such relief on the basis that monetary damages are adequate. New Operator also agrees to reimburse Transferor for all reasonable costs and expenses, including reasonable out-of-pocket attorney’s fees, incurred by it in enforcing New Operator’s or New Operator’s representatives’ obligations under this section.

(c) Transferor Confidential Information does not include all or any portion of information which (i) becomes generally available to the public other than as a result of a disclosure by New Operator or New Operator's representative, or (ii) was or becomes rightfully available to New Operator on a non-confidential basis from a source other than Transferor or Transferor’s representatives; provided, that such source is not prohibited from disclosing such

information to New Operator by a contractual, legal or fiduciary obligation to Transferor or Transferor's representatives.

(d) Notwithstanding any other provision of this Agreement, the terms of this Section 10.13 shall survive the termination of this Agreement.

10.14 Counterparts; Facsimile Copy. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or electronic (e.g. .pdf) copy of any party's signature to this Agreement shall be deemed an original for all purposes.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first set forth above.

TRANSFEROR:

STAMFORD ELDERLY HOUSING CORPORATION

By: _____
Name: Vincent J. Tufo
Title: Secretary

=

HOUSING AUTHORITY OF THE CITY OF STAMFORD
d/b/a Charter Oak Communities

By: _____
Name: Vincent J. Tufo
Title: CEO

[Scofield Operating LLC]

By: _____
Name:
Title:

DRAFT

EXHIBIT 6.3

TRANSFEROR'S OFFICER'S CERTIFICATE

Pursuant to Section 6.3 of the Operations Transfer Agreement (the "**Agreement**"), dated as of _____, 2021 by and between [Scofield Operating LLC] (the "New Operator") and Stamford Elderly Housing Corporation and Housing Authority of the City of Stamford d/b/a Charter Oak Communities (collectively, "**Transferor**"), the undersigned, being a duly authorized executive officer of Transferor, does hereby certify that the representations and warranties made by Transferor in the Agreement are true and correct in all material respects as of the Closing Date (as defined in the Agreement) and the covenants to be performed by Transferor pursuant to the Agreement have been performed in all material respects as of the Closing Date, except with respect to representations and warranties made in the Agreement that relate to a specific point in time or timeframes within the terms of such representation and warranty which are true and correct in all material respects as of such time or times.

Date: _____, 2021

STAMFORD ELDERLY HOUSING CORPORATION

By: _____
Name: Vincent J. Tufo
Title: Secretary

=

HOUSING AUTHORITY OF THE CITY OF STAMFORD
d/b/a Charter Oak Communities

By: _____
Name: Vincent J. Tufo
Title: CEO

DRAFT

EXHIBIT 6.4

BILL OF SALE

This BILL OF SALE (this “Instrument”) dated as of _____, is made and delivered pursuant to, and subject to the terms of, that certain Operations Transfer Agreement dated as of _____, 2021 (as amended and restated from time to time, the “OTA”), by and between Stamford Elderly Housing Corporation, a Connecticut corporation (“SEHC”) and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority (“COC”) together with SEHC, “Transferor”) and [Scofield Operating LLC], a [_____] (“New Operator”) relating to the transfer of certain assets set forth in the OTA and the business and operations of the Facility. Capitalized terms used but not defined herein shall have the meaning provided in the OTA.

WITNESSETH:

WHEREAS, the New Operator has the right to acquire certain personal property related to the Facility from Transferor under the OTA as more specifically described therein (the “Personal Property”); and

WHEREAS, New Operator and Transferor desire to evidence and effectuate the transfer and conveyance of the Personal Property to New Operator.

NOW THEREFORE, subject to the terms and conditions of the OTA and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, New Operator and Transferor hereby agree as follows:

1. Transferor does hereby convey, transfer, assign and deliver to New Operator all of Transferor’s right, title and interest in and to the Personal Property, free of all liens, encumbrances and security interests, and the New Operator hereby accepts from Transferor all of the Personal Property.
2. Subject to the terms of the OTA, New Operator hereby assumes all liabilities and obligations related to the Personal Property with respect to periods from and after the date hereof.
3. This Instrument shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
4. This Instrument may not be amended, modified or changed nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.
5. This Instrument will be construed, performed and enforced in accordance with the laws of the State of Connecticut without regard to the conflict of laws rules of such State.

6. This Instrument may be executed in any number of counterparts, whether original or by facsimile or portable document format (.pdf), each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed and delivered this instrument effective as of _____, 2021.

STAMFORD ELDERLY HOUSING CORPORATION

By: _____
Name: Vincent J. Tufo
Title: Secretary

HOUSING AUTHORITY OF THE CITY OF STAMFORD
d/b/a Charter Oak Communities

By: _____
Name: Vincent J. Tufo
Title: CEO

DRAFT

EXHIBIT 6.5

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

This Assignment and Assumption Agreement (the “Assignment”) is effective as of _____, 2021 and is between Stamford Elderly Housing Corporation, a Connecticut corporation (“SEHC”) and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority (“COC”) together with SEHC, the “Transferor”, and [Scotfield Operating LLC] (the “New Operator”).

Background

A. Transferor and New Operator are parties to an Operations Transfer Agreement (the “Agreement”) dated as of _____, 2021, which Agreement is incorporated into this Assignment as if fully rewritten in this Assignment (defined terms therein having the same meaning when used herein).

B. It is a condition to the Closing under the Agreement that Transferor assign to New Operator all of Transferor’s right, title and interest in, to, and under (i) those contracts identified on Exhibit A (the “Assumed Operating Contracts”) and (ii) all Resident Agreements, and that New Operator assume Transferor’s obligations with respect to such Assumed Operating Contracts and Resident Agreements from and after the Effective Time, as defined, and in accordance with Section 1.9 of the Transfer Agreement.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto, intending to be bound, hereby agree to incorporate the foregoing recitals as if fully rewritten in this Assignment and further agree as follows:

1. Transferor hereby assigns, transfers and conveys all of its right, title and interest in, to, and under the Assumed Operating Contracts and Resident Agreements to New Operator.

2. New Operator hereby agrees to assume, discharge and satisfy, in accordance with their respective terms, all liabilities of the Transferor set forth in the Assumed Operating Contracts and Resident Agreements, to the extent arising or accruing after the Effective Time.

3. Notwithstanding anything contained herein to the contrary, New Operator does not assume or agree to discharge or satisfy any of the Excluded Liabilities or any liabilities or obligations under the Assumed Operating Contracts related to periods prior to the Effective Time.

4. **Transferor’s Indemnity.** Transferor hereby agrees to indemnify, defend and hold harmless New Operator from and against any and all cost, liability, loss, damage or expense, including, without limitation, reasonable attorneys' fees and expenses (collectively, "Losses and Liabilities"), arising out of or in any way related to Transferor's obligations under the Assumed Operating Contracts and related to the period prior to the Closing Date, except for Losses and

Liabilities on account of any fact or circumstance occurring or existing on or after the Closing Date.

5. New Operator's Indemnity. New Operator hereby agrees to indemnify, defend and hold harmless Transferor from and against any and all Losses and Liabilities arising out of the New Operator's obligations under the Assumed Operating Contracts and related to the period on and after the Closing Date, except for Losses and Liabilities on account of any fact or circumstance occurring or existing prior to the Closing Date.

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IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed and delivered this Agreement as of the date set forth above.

STAMFORD ELDERLY HOUSING CORPORATION

By: _____
Name: Vincent J. Tufo
Title: Secretary

HOUSING AUTHORITY OF THE CITY OF STAMFORD
d/b/a Charter Oak Communities

By: _____
Name: Vincent J. Tufo
Title: CEO

[Scofield Operating LLC]

By: _____
Name:
Title:

DRAFT

EXHIBIT A

ASSUMED OPERATING CONTRACTS

[TBD]

DRAFT

EXHIBIT 6.6

ASSIGNMENT AND ASSUMPTION OF RESIDENT TRUST FUNDS AND DEPOSITS

This Assignment and Assumption Agreement (the "Assignment") is effective as of _____, 2021 and is between Stamford Elderly Housing Corporation, a Connecticut corporation ("SEHC") and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority ("COC") together with SEHC, the "Transferor", and [Scotfield Operating LLC] (the "New Operator").

Background

A. Transferor and New Operator are parties to an Operations Transfer Agreement (the "Agreement") dated as of [-----], which is incorporated into this Assignment as if fully rewritten in this Assignment (terms defined therein having the same meaning when used herein).

B. It is a condition to the Closing under the Agreement that Transferor assign all of its right, title and interest in, to, and under the Resident Trust Funds and Resident Deposits (as such terms are defined in the Agreement) to New Operator, and that New Operator assume Transferor's obligations with respect to such Resident Trust Funds and Resident Deposits arising after the Effective Time.

Now, therefore, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto, intending to be bound, hereby agree to incorporate the foregoing recitals into this Assignment and further agree as follows:

1. Transferor hereby assigns, transfers and conveys all of its right, title and interest in, to, and under the Resident Trust Funds and Resident Deposits to New Operator.

2. New Operator hereby accepts and assumes all liabilities arising after the Effective Time with respect to the Resident Trust Funds and Resident Deposits.

[next page is signature page]

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed and delivered this Agreement as of the date set forth above.

STAMFORD ELDERLY HOUSING CORPORATION

By: _____
Name: Vincent J. Tufo
Title: Secretary

HOUSING AUTHORITY OF THE CITY OF STAMFORD
d/b/a Charter Oak Communities

By: _____
Name: Vincent J. Tufo
Title: CEO

[Scofield Operating LLC]

By: _____
Name:
Title:

DRAFT

EXHIBIT 6.10

GENERAL ASSIGNMENT

THIS ASSIGNMENT is made effective as of [_____, 2021], by Stamford Elderly Housing Corporation, a Connecticut corporation (“SEHC”) and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority (“COC”) together with SEHC, the “Assignor”), and [Scofield Operating LLC], a _____ limited liability company (“Assignee”).

WITNESSETH:

WHEREAS, by that certain Operations Transfer Agreement (the “OTA”) by and among Assignor and Assignee, Assignor agreed to transfer to Assignee certain personal property and such other assets, as more fully described in the OTA (the “Assets”) (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA); and

WHEREAS, the OTA provides, inter alia, that Assignor shall assign to Assignee, certain intangible personal property, including, without limitation, all of the goodwill symbolized and associated with the Facility (collectively, the “Intangible Personal Property”), and any bed rights and other assets located at or used in connection with the Facility, and such other items applicable to the Assets, as more fully provided in the OTA;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby agree as follows:

1. **Transfer of Intangible Property.** To the extent permitted by law, Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in, to and under all of Intangible Personal Property including all goodwill symbolized and associated with the Facility, and any bed rights and other assets located at or used in connection with the Facility.

2. **Transfer of Permits.** To the extent permitted by law, Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in, to and under Permits as set forth in the OTA.

3. **Transfer of Warranties.** To the extent permitted by law, Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in, to and under all Warranties as set forth in the OTA.

4. **Assumption.** Assignee hereby accepts the foregoing assignment set forth in Sections 1, 2 and 3 hereof, provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

5. **Miscellaneous.** This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of Connecticut and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. This Assignment may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment as of the day and year first above written.

ASSIGNOR

STAMFORD ELDERLY HOUSING CORPORATION

By: _____
Name: Vincent J. Tufo
Title: Secretary

=

HOUSING AUTHORITY OF THE CITY OF STAMFORD
d/b/a Charter Oak Communities

By: _____
Name: Vincent J. Tufo
Title: CEO

ASSIGNEE

[_____, LLC]

By: _____
Name:
Title:

EXHIBIT 7.3
NEW OPERATOR'S CLOSING CERTIFICATE

Pursuant to Section 7.3 of the Operations Transfer Agreement (the “**Agreement**”), dated as of _____, 2021 between Stamford Elderly Housing Corporation, a Connecticut corporation (“SEHC”) and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority (“COC”) together with SEHC, the “**Transferor**”), and [Scofield Operating LLC] (“**New Operator**”), the undersigned, being a duly authorized executive officer of New Operator, does hereby certify that the representations and warranties made by New Operator in the Agreement are true and correct in all material respects as of the Closing Date (as defined in the Agreement) and the covenants to be performed by New Operator pursuant to the Agreement have been performed in all material respects as of the Closing Date (as defined in the Agreement), except with respect to representations and warranties made in the Agreement that relate to a specific point in time or timeframes within the terms of such representation and warranty which are true and correct in all material respects as of such time or times.

Date: _____, 2021

[_____, LLC]

By: _____
Name:
Title:

EXHIBIT 7.6

ASSUMPTION OF ASSUMED LIABILITIES

This Assumption Agreement (the “Assumption”) is effective as of _____, 2021 and is executed and delivered by [Scotfield Operating LLC] (the “New Operator”) to and for the benefit of Stamford Elderly Housing Corporation, a Connecticut corporation (“SEHC”) and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities, a municipal housing authority (“COC”) together with SEHC, the “Transferor”).

Background

A. Transferor and New Operator are parties to an Operations Transfer Agreement (the “Agreement”) dated as of _____, 2021, which Agreement is incorporated into this Assignment as if fully rewritten in this Assumption.

B. It is a condition to the Closing under the Agreement that New Operator assume Transferor’s obligations with respect to those certain Assumed Liabilities from and after the Effective Time, as defined in, and in accordance with, the provisions of the Agreement.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, New Operator hereby agrees to assume, discharge and satisfy, in accordance with their respective terms, all liabilities of the Transferor under the Assumed Liabilities, to the extent arising or accruing after the Effective Time (as defined in the Agreement).

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed and delivered this instrument as of the date set forth above.

[Scotfield Operating LLC]

By: _____
Name:
Title:

SCHEDULES TO OPERATIONS TRANSFER AGREEMENT

Schedule 1.1

Permitted Liens

Schedule 1.1(a)(iv)

FFE Ineligible for Transfer

Schedule 1.1(a)(vi)

Assumed Contracts

Schedule 1.1(a)(viii)

Excluded Intellectual Property

Schedule 1.1(a)(x)

Vehicles

Schedule 1.6

Employees

Schedule 3

Transferor Disclosure Schedule

Section 3.1(e) of Transferor Disclosure Schedule (Financial Statements)

Section 3.1(h) (Operating Contracts)

Section 3.1(j) (Undisclosed Liabilities)

Section 3.1(k)(v) (Regulatory and Legal Compliance)

Section 3.1(m) (Life Safety Code Waivers)

Section 3.1(o) (Litigation)

Section 3.1(p) (Insurance)

Section 3.1(q) (Permits)

Section 3.1(r) Environmental Matters

Section 3.1(y) (Related Party Transactions)

Section 3.1(w) (Personal Needs Allowance)

Section 3.1(x) (Audits)

THE HOUSING AUTHORITY OF THE CITY OF STAMFORD
BOARD OF COMMISSIONERS MEETING
OCTOBER 27, 2021

RESOLUTION NO. 21-[26]

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$10,500,000 MULTIFAMILY HOUSING REVENUE NOTES (LAWNHILL TERRACE 4 PROJECT), SERIES 2021

=====

WHEREAS, The Housing Authority of the City of Stamford (the “Authority”) has been duly established and constituted to carry out the purposes of Chapter 128 of the General Statutes of Connecticut, Revision of 1958, as it may be amended from time to time (the “Act”);

WHEREAS, Section 8-38 of the Act provides that the exercise of powers by municipalities, acting by and through housing authorities in connection with the providing of safe and sanitary dwelling accommodations for families of low and moderate income, are public uses and purposes for which public money may be expended;

WHEREAS, the Authority is empowered under the Act to, among other things: (i) within its area of operation, to prepare, carry out, acquire, lease and operate housing projects and to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof either directly or in the form of loans or other similar assistance to developers; (ii) to demise any dwellings, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project; (iii) to promote the creation and preservation of housing for low and moderate income persons and families, either directly or through an agency or instrumentality designated or appointed by the Authority, by lending or otherwise making available to developers the proceeds from the sale of obligations which are tax-exempt pursuant to the provisions of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended (the “Code”); and (iv) to issue bonds, from time to time, in its discretion, for any of its corporate purposes;

WHEREAS, the Authority has formed LHT4 Limited Partnership, a Connecticut limited partnership, and entities related thereto (collectively, the “Borrower”), for the purpose of financing, in part, the cost of (a) planning, design, acquisition, demolition, rehabilitation, improvement, furnishing, and equipping of a 34-unit multifamily residential rental housing project, known as Lawnhill Terrace 4, including, but not limited to, the construction and installation of new kitchens, appliances, bathrooms, light fixtures, heating and ventilation systems, upgraded electrical and plumbing equipment, flooring and wall finishes, the construction of exterior improvements including, but not limited to, new cement board siding, wood panels and brick, new covered entry porch, new entry door, new windows, roof, fascia, gutters and dormered roof vents and various site improvements including, but not limited to, new sidewalks, paving, restriping, fencing, lighting, trash enclosures, signage and landscaping (b) the funding of a debt service reserve fund, if any, for the Notes (as defined below); (c) the funding of a capitalized interest fund, if any, for the Notes; and (d) the payment of certain costs of issuance and credit enhancement fees, if any, with respect to the Notes, including, but not limited to, related legal, consulting, licensing, advisory, administrative, and governmental fees and expenses (together, the “Project”), located at 31-97 (odd numbers only) Custer Street, Stamford, Connecticut 06902 (the “Project Site”);

WHEREAS, the Authority currently owns or will own all of the outstanding shares of LHT4 Housing Corporation or another affiliate of the Authority (the “General Partner”), which is or shall be the sole general partner of the Borrower, and the Authority is currently or, upon formation of the Borrower, will be the sole limited partner of the Borrower (the “Limited Partner”);

WHEREAS, in connection with the financing of the Project, the Authority will lease the Project Site to the Borrower pursuant to a Ground Lease, dated as of or about December 1, 2021 (the “Ground Lease”), by and between the Authority and the Borrower for a term of not less than 30 years;

WHEREAS, in connection with the financing of the Project, it is anticipated that the Authority will withdraw as the Limited Partner of the Borrower, or will assign its entire limited partnership interest in the Borrower to RBC Tax Credit Equity, LLC, or such other tax credit investor to be determined by the Authority (the “Tax Credit Investor”), in exchange for low income housing tax credits generated by the Project, on such terms as the General Partner shall determine are necessary, appropriate or desirable;

WHEREAS, Section 8-52 of the Act authorizes the issuance of bonds, notes and other obligations the principal and interest of which are payable exclusively from the income and revenues of the housing project financed therewith;

WHEREAS, the Borrower has requested the Authority to issue the above-captioned revenue notes (the “Notes”) pursuant to the Act and to loan the proceeds thereof to the Borrower to provide financing for the Project;

WHEREAS, the Authority received or expects to receive an allocation of private activity bond volume cap pursuant to Section 146 of the Internal Revenue Code of 1986, as amended (the “Code”), in an amount not less than \$10,500,000 (the “Allocation Amount”) from the Office of Policy and Management of the State of Connecticut (the “State”) in connection with the Project;

WHEREAS, the Authority is willing to execute and deliver the Notes in an aggregate principal amount not to exceed \$10,500,000, provided, that the portion of such Notes executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount;

WHEREAS, in accordance with the Act, the Notes (i) shall be special obligations of the Authority payable solely from the revenues and assets pledged therefor; (ii) shall not subject the State, the City of Stamford (the “City”), the Authority or any other political subdivision to any liability; (iii) shall not constitute or give rise to any right on the part of any noteholder to compel the exercise of the taxing power of the State or the City; and (iv) shall qualify as “exempt facility bonds” for federal income tax purposes pursuant to Section 142(a)(7) of the Code;

WHEREAS, the lease of the Project Site and the issuance of the Notes and the loan of the proceeds thereof will be in furtherance of the purposes of the Act, will result in an increase in employment in the City, and will provide for the planning, design, acquisition, demolition, rehabilitation, improvement, furnishing, and equipping of an approximately 34 units of housing which will be available to persons of low and moderate income in compliance with requirements of the Act and the Code;

WHEREAS, the Notes will be sold to JPMorgan Chase Bank, N.A. (the “Funding Lender”), as the initial holder of the Notes;

WHEREAS, the State Department of Housing may make available to the Authority a grant or loan of approximately \$1,624,957, which the Authority will loan to the Borrower in exchange for a subordinated mortgage and note (the “State Capital Funds Loan”);

WHEREAS, the City will make available to the Authority a grant of approximately \$2,151,869 from the City fees received from developers in lieu of replacing affordable housing, which the Authority will loan to the Borrower in exchange for a subordinated mortgage and note (the “City Fee-In-Lieu Funds Loan”);

WHEREAS, Rippowam Corporation, an instrumentality of the Authority (“Rippowam”), will make available approximately \$308,957 from its own moneys, or from HOME funds received from the City to the

Authority, which amounts the Authority will loan to the Borrower in exchange for a subordinated mortgage and note (the "Rippowam Loan");

WHEREAS, the Authority will make available up to approximately \$710,764 of moneys on deposit in existing reserve funds for its original Lawnhill Terrace housing project, which the Authority will loan to the Borrower in exchange for a subordinated mortgage and note (the "Lawnhill Terrace Reserves Loan");

WHEREAS, the Authority intends to sell the building or buildings currently located on the Project Site to the Borrower at a price of approximately \$3,440,000, which amount shall be considered a loan to the Borrower in exchange for a subordinated mortgage and note (the "Seller Loan");

WHEREAS, the Authority will make available up to approximately \$185,387 of moneys available from its Eversource Energy Rebates, which the Authority will grant/loan to the Borrower as an additional source of funding for the Project (the "Eversource Energy Rebates Funds"); and

WHEREAS, there have been prepared and made available to the Commissioners of the Authority the following documents required for the execution and delivery of the Notes, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

- (1) Ground Lease to be entered into between the Authority and Borrower;
- (2) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into between the Funding Lender and the Authority;
- (3) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower; and
- (4) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into between the Authority and the Borrower;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Authority, as follows:

Section 1. Pursuant to and in furtherance of the underlying purposes of the Act, the Authority hereby authorizes the issuance of the Notes in a principal amount not exceeding \$10,500,000 to be denominated "Multifamily Housing Revenue Notes (Lawnhill Terrace 4 Project), Series 2021", or such other name as shall be determined by the Chairwoman, the Vice Chairman, or the Chief Executive Officer of the Authority (each individually, an "Authorized Officer"), subject to the provisions of this Resolution and the Funding Loan Agreement; provided, however, that the aggregate principal amount of any tax-exempt Notes issued, executed and delivered shall not exceed the Allocation Amount. The Notes shall be in the principal amount, be dated, mature, bear interest at the rates, be payable as to principal and interest at such places and in such medium of payment, be in such denominations and forms, carry such exchange or registration privileges, have such rank or priority, be executed in such manner, be subject to such terms of redemption and contain such other provisions and particulars as set forth in the Funding Loan Agreement. The Notes shall be executed on behalf of the Authority by the manual signature of any Authorized Officer.

The Notes shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. The Notes shall never constitute a debt of the State, the City, the Authority, or any other political subdivision or body corporate and politic of the State within the meaning of any constitutional or statutory provision. Neither the State, the City, nor the Authority shall be liable thereon, nor shall the Notes be payable out of any funds or properties other than those pledged therefor under the Funding Loan Agreement.

Section 2. The proceeds of the Notes shall be loaned to the Borrower (the “Loan”) pursuant to the terms of the Borrower Loan Agreement. The Loan may be secured by an Open-End Leasehold Mortgage Deed, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Leasehold Mortgage”), by the Borrower to the Authority, and a promissory note (the “Note”) by the Borrower to the Authority, securing and evidencing the Loan. The Loan is hereby approved and the Ground Lease, Funding Loan Agreement, the Borrower Loan Agreement, the Leasehold Mortgage and the Note, substantially in the forms presented at this meeting, with such insubstantial revisions and modifications and supplemental documents related thereto as any Authorized Officer shall deem to be in the best interests of the Authority, are hereby approved, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 3. Occupancy of the Project shall be restricted for the benefit of low and moderate income persons within the meaning of the Code pursuant to the Regulatory Agreement. The Regulatory Agreement, substantially in the form presented at this meeting, with such insubstantial revisions and modifications and supplemental documents related thereto as any Authorized Officer shall deem to be in the best interests of the Authority, is hereby approved, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 4. The Authority hereby authorizes, subject to the consent of the General Partner, its withdrawal as the Limited Partner of the Borrower, or assignment of its entire limited partnership interest in the Borrower to the Tax Credit Investor, on such terms as the General Partner shall determine are necessary, appropriate or desirable.

Section 5. The Authority hereby authorizes the lease of the Project Site to the Borrower pursuant to the terms and conditions of the Ground Lease for the purpose of financing the Project. The Ground Lease shall be for a term, contain such provisions and be for such consideration as are set forth in the Ground Lease. The Ground Lease, substantially in the form of the draft submitted to this meeting, is hereby approved.

Section 6. The Authority hereby authorizes the sale of the building or buildings currently located on the Project Site to the Borrower in exchange for a subordinated leasehold mortgage from the Borrower to the Authority, evidenced by a promissory note from the Borrower to the Authority, if desirable. Any Authorized Officer is authorized to determine the terms of the sale and the Seller Loan, such subordinated leasehold mortgage and such note, including the final principal amount, maturity date, and interest rate, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 7. The proceeds of the State Capital Funds Loan, if received by the Authority, shall be loaned to the Borrower on a subordinated basis and may be secured on a subordinated basis by a subordinated leasehold mortgage from the Borrower to the Authority, and evidenced by a promissory note from the Borrower to the Authority, if desirable. Any Authorized Officer is authorized to determine the terms of the State Capital Funds Loan, such subordinated leasehold mortgage and such note, including the final principal amount, maturity date, and interest rate, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 8. The proceeds of the City Fee-In-Lieu Funds Loan shall be loaned to the Borrower on a subordinated basis and may be secured on a subordinated basis by a subordinated leasehold mortgage from the Borrower to the Authority, and evidenced by a promissory note from the Borrower to the Authority, if desirable. Any Authorized Officer is authorized to determine the terms of the City Fee-In-Lieu

Funds Loan, such subordinated leasehold mortgage and such note, including the final principal amount, maturity date, and interest rate, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 9. The proceeds of the Rippowam Loan shall be loaned to the Borrower on a subordinated basis and may be secured on a subordinated basis by a subordinated leasehold mortgage from the Borrower to Rippowam, and evidenced by a promissory note from the Borrower to Rippowam, if desirable. Any Authorized Officer is authorized to determine the terms of the Rippowam Loan, such subordinated leasehold mortgage and such note, including the final principal amount, maturity date, and interest rate, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 10. The proceeds of the Lawnhill Terrace Reserves Loan shall be loaned to the Borrower on a subordinated basis and may be secured on a subordinated basis by a subordinated leasehold mortgage from the Borrower to the Authority, and evidenced by a promissory note from the Borrower to the Authority, if desirable. Any Authorized Officer is authorized to determine the terms of the Lawnhill Terrace Reserves Loan, such subordinated leasehold mortgage and such note, including the final principal amount, maturity date, and interest rate, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 11. The proceeds of the Eversource Energy Rebates Funds shall be granted or loaned to the Borrower by the Authority and, to the extent such proceeds are loaned, shall be evidenced by a promissory note from the Borrower to the Authority, if desirable. Any Authorized Officer is authorized to determine the terms of any such loan for the Eversource Energy Rebates Funds, and such note, including the final principal amount, maturity date, and interest rate, and any Authorized Officer, in the name of the Authority, is hereby authorized to execute such documents, and the approval of the Commissioners shall be conclusively determined from the signature of any of the Authorized Officers thereon.

Section 12. The Authority hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and any time after the date of adoption of this Resolution from the net proceeds of the Notes. The Notes shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Authority hereby certifies that its intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. This Resolution is adopted solely for purposes of compliance with the Regulations and may not be used or relied on for any other purpose.

Section 13. In connection with the issuance of the Notes, Robinson & Cole LLP is hereby appointed as bond counsel to the Authority.

Section 14. The Authorized Officers are each individually authorized to, and if any such action shall heretofore have been taken by any Authorized Officer, any other officer or agent of the Authority, such action is hereby ratified and confirmed, (a) publish such notices, hold such hearings, make such representations and agreements, and take such other actions as shall be necessary to enable Bond Counsel to render its opinions as to the validity of the Notes and the exclusion of the interest on the Notes from gross income for federal income tax purposes, (b) make, execute and deliver all such additional and supplemental agreements, documents and instruments as they deem necessary, desirable or appropriate to carry out and give effect to the transactions contemplated by this Resolution, including, but not limited to any tax certificates, tax forms, investment agreements, and assignments, (c) appoint or approve of any other consultants or professionals required, including the execution and delivery of any

and all documents required thereby or in connection therewith, and (d) do and perform such acts and to take such actions as they deem necessary, desirable or appropriate to carry out and give effect to the transactions contemplated by this Resolution, the Funding Loan Agreement, the Borrower Loan Agreement and any supplements or amendments thereto and the financing or reimbursing of the costs of the aforementioned Project, including any amendments or supplements thereto after the issuance of the Notes.

Section 15. The Authorized Officers are each individually authorized to execute and deliver the above-mentioned documents, substantially in the form approved, with such changes, additions and deletions as they may individually approve, and are expressly individually authorized to complete, clarify, modify and amend the terms of such documents approved by this Resolution, and the execution and delivery of such documents by the Authorized Officers shall constitute conclusive evidence of their approval and of their consent to the same.

Section 16. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Notes, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Notes or any prepayment of the Notes, may be given or taken by any Authorized Officer, as appropriate, without further authorization by the Commissioners, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 17. This Resolution shall take effect immediately upon its adoption.

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SECRETARY'S CERTIFICATION

This Resolution was adopted upon the vote of a majority of the Commissioners present, constituting a quorum, at an Authority meeting, duly called for, on October 27, 2021.

By: _____
Vincent J. Tufo
Secretary

EXHIBITS

1. Ground Lease
2. Funding Loan Agreement
3. Borrower Loan Agreement
4. Regulatory Agreement
5. Note (attached as Exhibit A to the Funding Loan Agreement)
6. Leasehold Mortgage

GROUND LEASE AGREEMENT
LAWNHILL TERRACE PHASE 4
STAMFORD, CONNECTICUT

LANDLORD:

Housing Authority of
The City of Stamford

22 Clinton Avenue
Stamford, Connecticut 06901

TENANT:

LHT4 Limited Partnership
40 Clinton Avenue, Suite 101
Stamford, CT 06901

As of

_____, 2021

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**GROUND LEASE
BETWEEN THE HOUSING AUTHORITY OF THE CITY OF STAMFORD
AND LHT4 LIMITED PARTNERSHIP**

BASIC LEASE INFORMATION

DATE: AS OF _____, 2021

LANDLORD: HOUSING AUTHORITY OF THE CITY OF STAMFORD d/b/a
CHARTER OAK COMMUNITIES

TENANT: LHT4 LIMITED PARTNERSHIP

DEMISED PREMISES: CERTAIN PREMISES SITUATED IN THE CITY OF
STAMFORD, COUNTY OF FAIRFIELD, STATE OF
CONNECTICUT, AS MORE PARTICULARLY DESCRIBED IN
EXHIBIT "A", KNOWN AS 31-97 CUSTER STREET (odd #'s
only)

ANNUAL BASE RENT: ONE DOLLAR (\$1.00)

**COMMENCEMENT
DATE:** _____, 2021

TERM: THE PERIOD BEGINNING ON THE COMMENCEMENT
DATE AND ENDING ON _____, 2119

**LANDLORD'S ADDRESS
FOR NOTICES:** 22 CLINTON AVENUE,
STAMFORD, CT 06901
ATTN: VINCENT J. TUFO

**TENANT'S ADDRESS
FOR NOTICES:** 40 CLINTON AVENUE, SUITE 101
STAMFORD, CT 06901
ATTN: VINCENT J. TUFO

The Basic Lease Information is part of the Lease; however, if any of the Basic Lease Information contradicts any provision of the Lease, the provision of the Lease will prevail.

GROUND LEASE AGREEMENT

THIS GROUND LEASE (this “Lease”) dated as of ____ __, 2021 is by and between the **HOUSING AUTHORITY OF THE CITY OF STAMFORD d/b/a CHARTER OAK COMMUNITIES**, a public body corporate and politic established under the Connecticut General Statutes (“Landlord”) and **LHT4 LIMITED PARTNERSHIP**, a Connecticut limited partnership (“Tenant”).

ARTICLE 1 - RECITALS

WHEREAS, Landlord is the owner of “Lawnhill Terrace” located in the City of Stamford, Connecticut (the “Entire Premises”);

WHEREAS, Lawnhill Terrace is being redeveloped in four to five phases;

WHEREAS, Tenant intends to redevelop the fourth phase of Lawnhill Terrace (the “Redevelopment”) to be known as “Lawnhill Terrace 4” (and being the subject matter of this Lease);

WHEREAS, the Redevelopment shall consist of the rehabilitation of ____ () buildings containing thirty-four (34) units of affordable rental housing and a community building (the “Project”) on a roughly ____ () acre parcel of land more particularly described in Exhibit A (the “Demised Premises”);

WHEREAS, Landlord and Tenant wish to enter into this Lease for the Demised Premises in order for Tenant to commence the Project;

WHEREAS, the Tenant has received a 2020 Low Income Housing Tax Credit Allocation (the “LIHTC Allocation”) in the approximate amount of \$_____ annually and the total LIHTC allocation anticipated to be delivered to the Tenant is \$5,193,888, said LIHTC Allocation to be evidenced by various documents (collectively, the “LIHTC Documents”), including that certain Extended Low-Income Housing Commitment (“ELIHC”) from the Connecticut Housing Finance Authority (“CHFA”), which ELIHC shall encumber the Demised Premises; and

WHEREAS, the Tenant shall obtain from Landlord (together with any future holder of a first leasehold mortgage on the Demised Premises, the “First Leasehold Lender”) a construction first leasehold mortgage loan in the amount of up to \$8,800,000, which loan shall be funded with the proceeds from a certain loan to be made by JPMorgan Chase Bank, N.A. (“JMPC”) to Landlord (the “JPMC Loan”) and shall, upon the satisfaction of certain conditions set forth in the First Leasehold Loan Documents (as hereinafter defined), be converted to a permanent loan in the aggregate amount of approximate \$3,150,000 (the “First Leasehold Loan”); said First Leasehold Loan to be evidenced and/or secured by various documents encumbering the Demised Premises, including a mortgage granted by Tenant in favor of the Landlord (the “First Leasehold Mortgage”), which First Leasehold Mortgage shall subsequently be assigned by Landlord to JPMC (collectively, the “First Leasehold Loan Documents”);

WHEREAS, the Tenant shall obtain a construction and permanent second leasehold mortgage loan from Landlord in the amount of \$3,440,000 (the “Seller Note Loan”), said Seller Note Loan to be evidenced and/or secured by various documents, including, without limitation, certain documents encumbering and/or restricting the use of the Demised Premises (collectively, the “Seller Note Loan Documents”);

WHEREAS, the Tenant shall obtain a construction and permanent third leasehold mortgage loan from the State of Connecticut Department of Housing (“DOH”) in the amount of \$1,624,987 (the “DOH Loan”), said DOH Loan to be evidenced and/or secured by various documents, including, without limitation, certain documents encumbering and/or restricting the use of the Demised Premises (collectively, the “DOH Loan Documents”);

WHEREAS, the Tenant shall obtain a construction and permanent fourth leasehold mortgage loan in the amount of \$710,764 (the “Project Reserves Loan”) from the Landlord, said Project Reserves Loan to be evidenced and/or secured by various documents encumbering the Demised Premises (collectively, the “Project Reserves Loan Documents”);

WHEREAS, the Tenant shall obtain a construction and permanent fifth leasehold mortgage loan in the amount of \$2,151,869 (the “Fee in Lieu Loan”) from the Landlord, said Fee in Lieu Loan to be evidenced and/or secured by various documents encumbering the Demised Premises (collectively, the “Fee in Lieu Loan Documents”);

WHEREAS, the Tenant shall obtain a construction and permanent sixth leasehold mortgage loan in the amount of \$47,358 (the “Rippowam Sponsor Loan”) from Rippowam, said Rippowam Sponsor Loan to be evidenced and/or secured by various documents encumbering the Demised Premises (collectively, the “Rippowam Sponsor Loan Documents”);

NOW, THEREFORE, in consideration of these presents, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby leases the Demised Premises to Tenant on the terms and conditions set forth herein.

ARTICLE 2 - DEFINITIONS

Capitalized terms used (not otherwise defined in other sections of this Lease) in this Lease shall have the meanings referred to below.

“Additional Rent” – See Section 18.1

“Base Rent” – See Section 7.1

“Borrower” – shall mean LHT4 Limited Partnership

“CHFA” – See Article 1

“Commencement Date” – See Basic Lease Information

“Completion Date” – See Section 4.1

“Demised Premises” – See Article 1

“DOH” – See Article 1

“DOH Loan” – See Article 1

“DOH Loan Documents” – See Article 1

“ELIHC” – See Article 1

“Entire Premises” – See Article 1

“Environmental Laws” – Section 5.1(h)

“Environmental Reports” – See Section 5.1(h)

“Fee in Lieu Loan” – See Article 1

“Fee in Lieu Loan Documents” – See Article 1

“First Leasehold Lender” – See Article 1

“First Leasehold Loan” – See Article 1

“First Leasehold Loan Documents” – See Article 1

“First Leasehold Mortgage” – See Article 1

“Governmental Authorities” – See Section 4.2

“Hazardous Materials” – Section 5.1(h)

“Improvements” – See Section 4.1

“JPMC” – See Article 1

“Landlord” – See Preamble

“Lease” – See Preamble

“Leasehold Mortgage” – See Section 13.1

“Leasehold Mortgagee” – See Section 13.1

“LIHTC Allocation” – See Article 1

“LIHTC Documents” – See Article 1

“Limited Partner” – RBC Tax Credit Equity, LLC, an Illinois limited liability company.

“Operating Expenses” – See Section 8.2

“Project Reserves Loan” – See Article 1

“Partnership Agreement” – shall mean the Amended and Restated Agreement of Limited Partnership of LHT4 Limited Partnership dated as of _____, 2021.

“Permitted Encumbrances” – See Section 5.1(a)

“Plans and Specifications” – shall mean those final plans, drawings and specifications for the Lawnhill Terrace Phase 4 Project prepared by the Project’s architect and approved by Landlord and each Leasehold Mortgagee.

“PMSA” – Primary Metropolitan Statistical Area as defined by the U.S. Bureau of Labor Statistics.

“Proceeds – See Section 17.1

“Project Reserves Loan” – See Article 1

“Project Reserves Loan Documents” – See Article 1

“Redevelopment” – See Article 1

“Removal Right” – Section 12.5

“Rent” – shall mean, collectively, Base Rent and Additional Rent, all as defined in Article 7

“Requirements” – See Section 10.1

“Restoration” – See Section 17.1

“Rippowam Sponsor Loan” – See Article 1

“Rippowam Sponsor Loan Documents” – See Article 1

“Seller Note Loan” – See Article 1

“Seller Note Loan Documents” – See Article 1

“Special Limited Partner” – RBC Tax Credit Manager II, Inc., a Delaware corporation

“Tenant” – See Preamble

“Term” – See Section 6.1

ARTICLE 3 - DEMISE OF LEASEHOLD INTEREST

Section 3.1 Lease to Tenant. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Demised Premises, upon the terms and conditions stated herein. The Demised Premises are leased: (a) subject only to the Permitted Encumbrances (as defined in Section 5.1(a)), and (b) with the right to pass and repass over any (if any) existing ways and public areas located on or in the Entire Premises, and any (if any) rights to use such other portions of the Entire Premises and all utilities and service conduits and facilities thereon to facilitate the redevelopment of and construction of Improvements upon the Demised Premises.

Section 3.2 Services by Landlord. Except as otherwise provided herein, it is expressly agreed that Landlord is not and shall not be required under this Lease to render any services of any kind to Tenant. Nothing herein shall modify the terms of any separate agreement between Tenant and Landlord.

Section 3.3 Quiet Enjoyment. Tenant, upon paying the rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Demised Premises during the term of this Lease without hindrance or molestation by anyone claiming by or through Landlord, subject, however, to the exceptions, reservations and conditions of this Lease.

ARTICLE 4 -IMPROVEMENTS

Section 4.1 Improvements to be Constructed. Tenant shall rehabilitate, construct, or cause to be constructed on the Demised Premises, at its sole expense and by an outside date of December 31, 2022 (the “Completion Date”), the improvements comprising the Lawnhill Terrace Phase 4 Project (the “Improvements”) substantially as described in the Plans and Specifications, together with any related parking, landscape and street improvements. The Improvements shall include thirty-four (34) units and a community building, all of which shall be operated and maintained as low-income housing tax credit units for the term required by the ELIHC.

Section 4.2 Compliance with Laws. The Improvements shall be constructed in good and workmanlike manner and in accordance with the requirements of all applicable laws, ordinances, codes, orders, rules and regulations of all governmental authorities, agencies or departments having jurisdiction over the Improvements (collectively,

“Governmental Authorities”), including, insofar as applicable, Landlord, CHFA, and the State of Connecticut, Department of Housing.

Section 4.3 Approvals, Permits and Licenses. Tenant (or its agent) shall apply for, assume all costs of and prosecute, with reasonable diligence, all necessary approvals, permits and licenses required for the construction and/or rehabilitation, redevelopment, use and occupation of the Improvements. Landlord agrees to cooperate with and publicly support Tenant’s efforts to obtain such permits and licenses. If required, Landlord shall apply for and prosecute, with reasonable diligence, all necessary approvals, permits and licenses required for the construction and/or rehabilitation, development, use and occupation of the Improvements. Any reasonable out-of-pocket costs incurred by Landlord under this Section shall be paid by Tenant.

Section 4.4 Ownership of Improvements. It is hereby expressly understood and agreed that any and all Improvements constructed, placed or maintained by Tenant upon any part of the Demised Premises at any time during the term of this Lease, shall be and remain property of Tenant, and, as such, Tenant will be entitled to all depreciation deductions and low-income housing tax credits or other benefits for income tax purposes relating to the Improvements. It is expressly agreed that said Improvements may not be severed from the Demised Premises.

Section 4.5 Use of Leased Materials. It is recognized that, from time to time during the Term hereof, various items of machinery, equipment, fixtures or furnishings to be used by Tenant or others in the use, occupancy and operation of buildings and other improvements on the Demised Premises may be the property of others leased to Tenant or others for use by the Tenant. Nothing contained in this Lease shall alter or adversely affect the right, title and interest of the owner of such property in and to the same, and Landlord shall not be entitled to and shall not acquire, by reason of any provisions of this Lease, any right, title or interest in or to such leased property. Although the foregoing waiver and release shall be self-operative, upon request from time to time, Landlord shall execute a Landlord’s waiver in confirmation of the foregoing. Any tenant or subtenant shall be allowed to remove trade fixtures, furniture and equipment owned and used by such tenant or subtenant in connection with business conducted on the Premises.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES

Section 5.1 Landlord’s Representations and Warranties. Landlord hereby represents and warrants to Tenant that:

- (a) Landlord owns fee simple, good and marketable title to the Demised Premises, free and clear of all liens, mortgages, charges, encumbrances, encroachments, easements, restrictions, occupancies or agreements and other matters affecting title, except for those matters affecting title to the Demised Premises, as listed on Exhibit B (the “Permitted Encumbrances”). To the best of Landlord’s knowledge, the Entire Premises, including the Demised Premises, are in compliance with all

easements, restrictions and other matters of record affecting title as of the date hereof. Landlord will not further encumber the Demised Premises without the prior written consent of each of First Leasehold Lender, JPMC and DOH.

- (b) Landlord has full right, power and authority to make, execute, deliver and perform its obligations under this Lease. Landlord has obtained and received all required and necessary consents and approvals to enter into this Lease with Tenant. The entry by Landlord into this Lease with Tenant and the performance of all of the terms, provisions and conditions contained herein does not and will not violate or cause a breach or default under any agreement or obligation to which Landlord is a party or by which it is bound.
- (c) There are no tenants, lessees or other occupants of the Demised Premises having any right or claim to possession or use of the Demised Premises.
- (d) There are no unpaid special assessments of which Landlord has received notice for sewer, sidewalk, water, paving, gas, electrical or utility improvements or other capital expenditures, matured or unmatured, affecting the Demised Premises.
- (e) Unless otherwise stated herein, Landlord is not obligated under any contract, lease or agreement, oral or written, with respect to the ownership, use, operation, management, maintenance, lease, sale or financing of the Demised Premises.
- (f) No representation, statement or warranty by Landlord contained in this Lease or in any exhibit attached hereto contains or will contain any untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading.
- (g) Except as otherwise disclosed, to the best of the Landlord's knowledge, there is no action, suit, litigation or proceeding pending or, to Landlord's knowledge, threatened against Landlord which could prevent or impair Landlord's entry into this Lease and/or performance of its obligations hereunder.
- (h) Except as may be referenced in the environmental reports listed on Exhibit C attached hereto (collectively, the "Environmental Reports"), copies of which have been provided by Tenant to Landlord, to the best of Landlord's knowledge there are no Hazardous Materials (as defined below) located in, on or under the Demised Premises in material amounts or in violation of Environmental Laws. Except as may be referenced in the Environmental Reports or otherwise contained in Landlord's files with respect to the Premises which have been previously made available for

review by Tenant which files the Landlord, to the best of its knowledge, represents and warrants were complete in all material respects as of the date hereof, no notice from any governmental authority or any person has ever been issued to Landlord, its agents or employees, claiming any violation of any Environmental Laws. Further, the Landlord represents that it has not received any written notice from any governmental authority claiming any violation of any Environmental Laws. For these purposes the terms “Hazardous Materials” and “Environmental Laws” have the meanings set forth on Exhibit D attached hereto. Notwithstanding the foregoing, the Landlord is not making any representations as to the condition of the soil or its suitability except as may be otherwise expressly set forth in this Section 5.1.

- (i) The person signing this Lease on behalf of Landlord is duly and validly authorized to do so.

Section 5.2 Tenant’s Representations and Warranties. Tenant hereby warrants and represents to Landlord that:

- (a) Tenant is a duly organized, lawfully existing limited partnership and is in good standing under the laws of the State of Connecticut.
- (b) Tenant has the full right, power and authority to make, execute, deliver and perform its obligations under this Lease.
- (c) Tenant’s execution and delivery of this Lease has been authorized by all requisite limited partnership action on the part of Tenant, and the execution and delivery of this Lease by Tenant and the performance of its obligations hereunder will not violate or contravene any agreement or obligation to which Tenant is a party or by which it is bound.
- (d) There is no action, suit, litigation or proceeding pending or, to Tenant’s knowledge, threatened against Tenant or any Tenant affiliate which could prevent or impair Tenant’s entry into this Lease and/or performance of its obligations hereunder.
- (e) The persons signing this Lease on behalf of Tenant are duly and validly authorized to do so.

ARTICLE 6 -TERM

Section 6.1 Term of Lease. The term of this Lease shall be, unless sooner terminated in accordance with the provisions hereof, for a period of time commencing upon the Commencement Date and ending on ____ __, 2119 (the “Term”).

ARTICLE 7 -RENT

Section 7.1 Annual Base Rent. The annual base rent (“Base Rent”) shall be One Dollar (\$1.00) per annum. By its execution hereof, Landlord acknowledges that the Base Rent, in the amount of \$98.00, has been prepaid in full for the Term. There shall be no supplemental rent.

Section 7.2 Payments by Tenant. This lease is intended to be a net lease of the Premises. Unless otherwise expressly set forth in this Lease, all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Demised Premises and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use or occupation of the Demised Premises or the Improvements and the Lawnhill Terrace Phase 4 Project shall be the responsibility of Tenant.

ARTICLE 8 - TAXES; OPERATING EXPENSES

Section 8.1 Taxes. Tenant will pay any real estate taxes which are assessed against the Demised Premises by any taxing authority and any payments required by any cooperation or abatement agreement providing for payments in lieu of taxes which may be entered into by Tenant with the City of Stamford. Landlord shall pay all local, state, or federal taxes assessed against Landlord, if any; local, state, or federal capital levy of Landlord, if any, or sales, excise, franchise, gift, estate, succession, inheritance taxes, of Landlord, if any, and all real estate transfer taxes incident to this Lease, if any. Notwithstanding the foregoing, Tenant shall not be responsible for any amount of real estate taxes exceeding the aggregate of (a) ten percent (10%) of Tenant’s Shelter Rents (total rents received less Landlord-paid utilities); and (b) ten percent (10%) of any annual net cash flow received by Tenant after payment of deferred developer fees and loan repayments (the “Tenant’s Taxes”). All real estate taxes in amounts exceeding the Tenant’s Taxes shall be paid by the Landlord.

Section 8.2 Property Expenses. Tenant will pay or cause to be paid all costs and expenses attributable to or incurred in connection with the operation, maintenance, insurance, taxes and repair of the Demised Premises, the Improvements and the Lawnhill Terrace Phase 4 Project on the whole (collectively, “Operating Expenses”).

ARTICLE 9 - INSURANCE

Section 9.1 Tenant’s Insurance.

- (a) “Builders Risk and All Risk” Coverage. Tenant will, at its sole expense, maintain Builders Risk insurance in force during all demolition and construction activities. Tenant will, at its sole expense (but nevertheless as a portion of Operating Expenses), obtain and keep in force during the Term, “all-risk” coverage insurance on the Improvements naming Tenant and Landlord as the insured, as their interests may appear, in the customary form in the City of Stamford for buildings and improvements of similar character. The amount of such insurance will be set forth on an

“agreed amount endorsement” to the policy of such insurance and will not be less than 100% of the full replacement value of the Improvements, as determined annually.

- (b) General Liability. Tenant will, at its sole expense (but nevertheless as a portion of Operating Expenses), obtain and keep in force during the Term general liability insurance with a combined single limit of not less than Two Million Dollars (\$2,000,000.00) for injury to or death of any one person, for injury to or death of any number of persons in one occurrence, and for damage to property, insuring against any and all liability of Landlord and Tenant including, without limitation, coverage for contractual liability and broad form property damage, with respect to the Demised Premises or arising out of the maintenance, use, or occupancy of the Improvements. The amount of insurance coverage shall be reviewed at least every three (3) years and in no event shall insurance coverage be less than that required of a reasonably prudent housing operator and owner. Such insurance will insure the performance by Tenant of its indemnity obligations hereunder as to liability for injury to or death of persons and damage to all property set forth in this Lease. Such insurance will be noncontributing with any insurance which may be carried by Landlord and will contain a provision that Landlord, although named as an insured, will nevertheless be entitled to recover under the policy for any loss, injury, or damage to Landlord, its agents, and employees, or the property of such persons as well as any related out-of-pocket legal costs or fees.
- (c) Other Matters. All insurance required in this Article and all renewals of it, will be issued by companies authorized to transact business in the State of Connecticut, and rated at least A- Class X by Best’s Insurance Reports (property liability) and shall identify the Landlord as an “Additional Insured” party under the respective policy. All insurance policies will expressly provide that such policies will not be canceled or altered without thirty (30) days’ prior written notice to Landlord, in the case of “all-risk” coverage insurance, and, in the case of general liability insurance will, to the extent obtainable, provide that no act or omission of Tenant which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. Furthermore, all insurance policies will contain a waiver by the insurer of its rights of subrogation against Landlord. Tenant may satisfy its obligation under this paragraph by appropriate endorsements of its blanket insurance policies.
- (d) Delivery of Evidence of Insurance. Certificates of insurance for all insurance required of Tenant hereunder and evidence of the payment of all premiums of such policies will be delivered to Landlord promptly after Landlord’s written request therefor. All public liability, property damage

liability, and casualty policies maintained by Tenant will be written as primary policies, not contributing with and not in excess of coverage that Landlord may carry. If Tenant fails to maintain such insurance, which failure continues for ten (10) days, then Landlord, at its election, may procure such insurance as may be necessary to comply with the above requirements (but shall not be obligated to procure same), and Tenant shall repay to Landlord as Additional Rent within thirty (30) days, the cost of such insurance.

Notwithstanding anything to the contrary contained in this Article 9, the foregoing insurance requirements of Tenant will not be inconsistent with any such requirements imposed by any Leasehold Mortgagee; provided, however, if there is any inconsistency, such inconsistency will be resolved in favor of the greater of the coverage requirements imposed by First Leasehold Lender, JPMC or DOH.

ARTICLE 10 -USE OF DEMISED PREMISES; REGULATORY AND OPERATING AGREEMENT; COVENANTS RUNNING WITH THE LAND

Section 10.1 Permitted Use. Tenant will cause the Demised Premises to be used only in the manner permitted by (i) the DOH Loan Documents, (ii) the ELIHC, (iii) the First Leasehold Loan Documents, (iv) the Seller Note Loan Documents, (v) the Rippowam Sponsor Loan Documents, (vi) the LIHTC Documents, (vii) the Project Reserves Loan Documents, (viii) the Fee in Lieu Loan Documents, and (ix) the Partnership Agreement (items (i) through and including (ix) collectively, the “Requirements”). Such Requirements contained herein are intended to create covenants running with the land and shall also be binding upon Tenant’s successors and assigns, including any entity which succeeds to Tenant’s interest in the Demised Premises by foreclosure or an instrument in lieu of foreclosure, so long as such covenant remains in effect.

Section 10.2 Compliance with Laws. Tenant shall not use or occupy, or suffer or permit any portion of the Demised Premises to be used or occupied in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement. Tenant will comply with applicable laws and all rules, orders, regulations, and requirements of the board of fire underwriters or insurance service office, or any other similar body having jurisdiction over the Demised Premises.

ARTICLE 11 -ENVIRONMENTAL COVENANTS AND INDEMNITIES

Section 11.1 Tenant’s Environmental Covenants. Without limitation of any of Tenant’s other covenants, agreements and obligations under this Lease, Tenant hereby specifically covenants and agrees to fulfill the responsibilities set forth below with respect to environmental matters:

- (a) Tenant shall comply with all Environmental Laws applicable to Tenant relative to the Demised Premises, the Improvements, and Tenant’s use of the Demised Premises. All required governmental permits and licenses

issued to Tenant and associated with the Demised Premises and the Improvements shall remain in effect or shall be renewed in a timely manner, and Tenant shall comply therewith. All Hazardous Materials present, handled or generated or used by Tenant on the Demised Premises which are removed from the Demised Premises shall be the responsibility of Tenant and be transported and disposed of in a lawful manner.

- (b) Tenant shall provide Landlord with copies of all forms, notices and other information received by or on behalf of Landlord concerning any releases, spills or other incidents relating to Hazardous Materials or any violations of Environmental Laws at or relating to the Demised Premises when and as supplied to any government agency.
- (c) Tenant shall not be liable for any Pre-Existing Condition (as hereinafter defined). Tenant shall not be responsible for removing or rendering harmless any Hazardous Materials that are Pre-Existing Conditions from the Demised Premises, but will advise Landlord and cooperate and coordinate with the work to remove and/or remediate the same performed by others as deemed prudent and necessary in the sole discretion of Landlord. Notwithstanding the foregoing, however, Tenant will be responsible for any conditions caused by Tenant's failure to take commercially reasonable efforts to protect against any further harm caused by such Pre-Existing Conditions. As defined herein, the term "Pre-Existing Conditions" means any material amounts of Hazardous Materials existing on the Demised Premises, or the material violation of any Environmental Laws, prior to the effective date of this Lease.
- (d) Tenant shall not use, or allow the use of, the Demised Premises to become an "Establishment" under the Connecticut Transfer Act, Section 22a-134 et. seq., Connecticut General Statutes.

Section 11.2 Landlord's Environmental Covenants. Without limitation of any of Landlord's other covenants, agreements and obligations under this Lease, Landlord hereby specifically covenants and agrees to provide Tenant with copies of all forms, notices and other information received by or on behalf of Landlord concerning any releases, spills or other incidents relating to Hazardous Materials or any violations of Environmental Laws at or related to the Demised Premises when and as supplied to any governmental agency.

Section 11.3 Tenant's Environmental Indemnity. Tenant covenants and agrees to indemnify, defend and hold Landlord free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses (including reasonable attorneys' fees and expenses) which may at any time be imposed upon, reasonably incurred by or asserted or awarded against Landlord in connection with or arising from:

- (a) any Hazardous Materials which are first placed on, in, or under all or any portion of the Demised Premises during the period defined herein as the Term; or
- (b) any violation of any Environmental Laws by Tenant at or relating to the Demised Premises.

Section 11.4 Survival. The agreements, representations and warranties of Landlord and Tenant respectively in this Article 11 shall survive the expiration or early termination of this Lease.

ARTICLE 12 -ASSIGNMENTS AND TRANSFERS

Section 12.1 Consent Required. Except as expressly provided herein, Tenant shall not, without the prior written consent of DOH, JPMC and First Leasehold Lender (to the extent Tenant's obligations under such lenders' loan documents remain outstanding), and Landlord (which consent of Landlord shall not be unreasonably withheld, delayed or conditioned), assign this Lease or any interest herein (a "Transfer"), except such consent shall not be required for a Transfer to a Leasehold Mortgagee or its subsidiaries, successors and/or assigns or in connection with a foreclosure or an instrument in lieu of foreclosure. If any Leasehold Mortgagee, or its subsidiaries, successors and/or assigns, should succeed to the interests of the Tenant in and to this Lease, then such Leasehold Mortgagee, and its successors, subsidiaries, designees and/or assigns, and subsequent assignees, may thereafter freely assign this Lease and its interests hereunder without the necessity of obtaining the consents set forth in the sentence immediately above.

Section 12.2 Transfer by Landlord. Landlord shall not transfer all or any portion of its interest in the Demised Premises without the prior written consent of any fee mortgagee of record of the Demised Premises then in existence but only to the extent such consent is required by such fee mortgagee and, in any event, Landlord shall not transfer all or any portion of its interest in the Demised Premises if the same would cause a violation of any applicable laws, this Lease, or any agreement or contract to which Landlord is a party or by which Landlord is bound or the Requirements.

Section 12.3 Subsequent Assignment. In cases where Landlord's consent is required, Landlord's consent to one assignment will not waive the requirement of its consent to any subsequent assignment.

Section 12.4 Request for Consent. If Tenant requests Landlord's consent to a specific assignment, Tenant shall provide to Landlord such information as may reasonably be required by Landlord and, if applicable, by First Leasehold Lender, JPMC or DOH (to the extent Tenant's obligations under such lenders' loan documents remain outstanding).

Section 12.5 Transfer by Tenant. It shall be deemed to be a transfer requiring the approvals set forth in Section 12.1 above in the event of any attempt by Tenant to demolish all or any portion of the Demised Premises. Notwithstanding anything in this

Lease to the contrary, by its execution of this Lease, Landlord shall be deemed to have consented to (i) a lease of any unit at the Demised Premises, and (ii) the transfer by foreclosure or deed or assignment in lieu thereof (or any leasehold equivalent thereof) to a Leasehold Mortgagee and/or its subsidiaries, successors, designees or assigns. Notwithstanding the foregoing, the following transfers will not require the prior consent of Landlord and will not result in a default under this Lease: (i) a transfer of the Limited Partner's interest in Tenant in accordance with the Tenant's Partnership Agreement, or (ii) the removal of the general partner of the Tenant by the Limited Partner in accordance with Tenant's Partnership Agreement.

ARTICLE 13 -LEASEHOLD FINANCING

Section 13.1 Right to Mortgage. Future mortgages by Tenant, not herein contemplated, of the Demised Premises shall be subject to the approval of Landlord, which approval shall not be unreasonably withheld, delayed or conditioned. In no event shall Landlord ever be required to execute any such mortgage or any note secured thereby or any other obligation securing any such note, or to subordinate Landlord's fee interest in the Demised Premises or any portion thereof to the lien of any such mortgage. Landlord acknowledges that Tenant intends to grant leasehold mortgages to First Leasehold Lender, DOH, and to the Landlord and further that the leasehold mortgage in favor of First Leasehold Lender shall be subsequently assigned by First Leasehold Lender to JPMC. (The foregoing mortgages anticipated to be granted in favor of the First Leasehold Lender and assigned to JPMC and in favor of DOH, the Landlord and any future mortgage or security interest shall hereinafter sometimes be referred to collectively as the "Leasehold Mortgage"). (First Leasehold Lender, JPMC, DOH, and any other mortgagee or interest holder and/or the Landlord shall hereinafter be sometimes collectively referred to as "Leasehold Mortgage"). Further, Landlord hereby consents to the First Leasehold Loan Documents, the DOH Loan Documents, the Seller Note Loan Documents, the Rippowam Sponsor Loan Documents, the Project Reserves Loan Documents, the Fee in Lieu Loan Documents, and the ELIHC.

For purposes of this Lease, the terms "mortgage" and "leasehold mortgage" shall include whatever security instruments are used in the locale of the Demised Premises, including, without limitation, mortgages, deeds of trust, mortgage deeds, security deeds and conditional deeds, as well as financing statements, assignments of tenant's interest, security agreements, and other documentation which a lender may require in connection with obtaining a security interest in any real or personal property, and the terms "holder of a mortgage" and "mortgagee" or "holder of a leasehold mortgage" and "leasehold mortgage" mean the secured party in any of the foregoing instruments or the prospective secured party if the instruments have not been delivered.

Notwithstanding the foregoing, Landlord hereby consents to the refinancing of the First Leasehold Loan, provided the new loan has similar terms to the First Leasehold Loan and subject to the reasonable approval of Landlord of the loan documents evidencing the new loan.

Section 13.2 Consent Required for Termination and Amendments. No cancellation, termination, surrender or modification of this Lease by agreement between Landlord and Tenant shall be effective as to any Leasehold Mortgagee unless consented to in writing by such Leasehold Mortgagee.

Section 13.3 Default Notice. Landlord, upon providing Tenant with any notice of default under this Lease shall at the same time provide a copy of such notice to every (if more than one at time during the Term) Leasehold Mortgagee, of whom it has knowledge pursuant to notice from Tenant or pursuant to Section 19.10, and to Tenant's Limited Partner at the address listed in Section 19.10. Each notice of default given by Landlord will clearly state (x) if monetary, the amounts claimed due under this Lease, (y) if nonmonetary, the nature of the default and the remedy required under this Lease, and (z) in either case, whether Landlord has a right to terminate this Lease based on the alleged defaults. Nothing contained in this provision shall require any leasehold mortgagee to cure any default by Tenant under this Lease. The Limited Partner shall have the same rights as Tenant, but shall not be required, to cure any default by Tenant under this Lease. From and after such notice has been given to the Leasehold Mortgagee, said Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, plus an additional ninety (90) days or such longer period as may be approved by Landlord in writing, such approval not to be unreasonably withheld, conditioned or delayed, for Leasehold Mortgagee to seek remedies under the Leasehold Mortgage and then to cure such defaults to the extent same is reasonably susceptible of being cured by the Leasehold Mortgagee, for remedying any default or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant to commence remedying or causing to be remedied the defaults specified in any such notice. Landlord shall accept such payment or performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes any and each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Demised Premises by the Leasehold Mortgagee for such purpose.

Section 13.4 Termination by Landlord. Anything contained in this Lease to the contrary notwithstanding, if any default shall occur which entitles Landlord to terminate this Lease, Landlord shall have no right to terminate this Lease except in accordance with the provisions of Section 18.3 hereof and subject to the rights of any Leasehold Mortgagee.

Section 13.5 Assumption of Tenant's Obligations. For purposes of this Article 13, the making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or Tenant's interest created hereby, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of Tenant's interests under this Lease so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder, but a Leasehold Mortgagee may become the holder of Tenant's leasehold estate and succeed to Tenant's interest in this Lease by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Lease in lieu of foreclosure, and any purchaser at any sale of Tenant's interest under this Lease in any proceeding for the foreclosure of any mortgage or the assignee or transferee of Tenant's interest in this

Lease under any instrument of assignment or transfer in lieu of foreclosure of any mortgage shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder, but only for so long as such purchaser or assignee is the owner of Tenant's interest in this Lease.

Section 13.6 Noncurable Defaults. Nothing in this Article 13 shall require any Leasehold Mortgagee or any designee as a condition to the exercise of rights provided under this Article 13 to cure any default of Tenant not reasonably susceptible of being cured by such Leasehold Mortgagee or such designee. The foregoing shall not be deemed to excuse a Leasehold Mortgagee from performing covenants relating to the condition of improvements on the Demised Premises or other similar matters requiring access to and/or control of the Demised Premises from and after such time as such Leasehold Mortgagee acquires Tenant's interest in this Lease by foreclosure or otherwise, but shall not limit the rights of a Leasehold Mortgagee under Section 13.10.

Section 13.7 No Merger. So long as any Leasehold Mortgage is in existence, unless each Leasehold Mortgagee shall otherwise expressly consent in writing, the fee title to the Demised Premises and the leasehold estate of Tenant therein shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by any single owner, other than by termination of this Lease by Landlord in compliance with the provisions of this Article 13 and Section 18.3 of this Lease.

Section 13.8 Landlord's Fee to Remain Unsubordinated. Landlord and Tenant expressly acknowledge and agree that Landlord shall have no obligation under this Lease or otherwise to subordinate the fee title of the Landlord in the Demised Premises or any rights of the Landlord in this Lease to the leasehold estate of the Tenant created by this Lease or to join any such mortgage or encumbrance or otherwise in any manner that would subordinate the fee title of the Landlord in and to the Demised Premises or the interest of the Landlord under this Lease.

Section 13.9 Sale of Demised Premises. Notwithstanding anything to the contrary contained herein, in the event of any sale, mortgage or conveyance of the Demised Premises by Landlord, which shall be subject to the approval of DOH, First Leasehold Lender and JPMC, any such sale, mortgage or conveyance of all or any part of the Demised Premises shall be subject and subordinate to this Lease and all of the provisions hereof.

Section 13.10 Additional Leasehold Mortgage Provisions.

(i) In the event of (x) termination of this Lease (of which Landlord will promptly notify the Leasehold Mortgagee, including and the amount of the sums then due to Landlord under this Lease), or (y) any foreclosure or an instrument in lieu of foreclosure of a Leasehold Mortgage, the Leasehold Mortgagee shall have the right to have Landlord enter into a new lease of the Demised Premises with the Leasehold Mortgagee or its nominee or designee in accordance with the following provisions:

(A) The Leasehold Mortgagee or its nominee or designee shall be entitled to such new lease if such Leasehold Mortgagee or its nominee or designee shall make written request to Landlord for such new lease on or before the date which is ninety (90) days after the date on which the Leasehold Mortgagee shall have received the notice from Landlord of such termination and if such written request is accompanied by the Leasehold Mortgagee's agreement to pay to Landlord within sixty (60) days after the execution and delivery of the new lease the sums then due to Landlord under this Lease, and within ninety (90) days, or such longer period as may be approved by Landlord in writing, such approval not to be unreasonably withheld, conditioned or delayed, remedy the nonmonetary defaults under the Lease, to the extent that any requirements are then in default and that such defaults are reasonably susceptible of being cured by the Leasehold Mortgagee or such designee, and to prosecute or cause the prosecution of same to completion with reasonable diligence.

(B) Said new lease shall be for what would have been the remainder of the Term if this Lease had not been terminated, effective as of the date of such termination, at the Base Rent and upon the terms, provisions, covenants, options and agreements contained herein.

(C) Such new lease shall have the same lien priority as this Lease with respect to any mortgage or other lien, charge or encumbrance on the fee of the Demised Premises. The tenant under the new lease will have the same right to obtain a non-disturbance agreement as Tenant under this Lease.

(D) In said new lease, the Leasehold Mortgagee or its nominee or designee shall agree to perform and observe all covenants contained in this Lease on Tenant's part to be performed to the extent such obligations are not personal to Tenant, except that all of the obligations and liabilities of the Leasehold Mortgagee or its nominee or designee as tenant under the new lease shall cease and terminate upon abandonment of the Demised Premises or assignment of the new lease.

(E) The Leasehold Mortgagee or its nominee or designee as tenant under the new lease shall have the same right, title and interest in and to the buildings and improvements erected on the Demised Premises as Tenant had under this Lease.

(ii) Any insurance proceeds in respect of the Demised Premises shall be paid to the Leasehold Mortgagee to be applied in the manner specified in the Leasehold Mortgage. Any rent insurance proceeds shall be applied first to the payment of any unpaid obligations owing under this Lease and thereafter to the payment of any unpaid obligations owing under the Leasehold Mortgage (in the order of priority of such mortgages) and any remaining balance to Tenant.

(iii) Except as may otherwise be provided herein, Tenant's interest in any award or payment in condemnation of eminent domain in respect of the Demised

Premises shall be paid to the Leasehold Mortgagee to be applied in the manner specified in the Leasehold Mortgage.

(iv) No fire or casualty loss claims shall be settled and no agreements will be made in respect of any award or payment in condemnation or eminent domain without in each case the prior written consent of the Leasehold Mortgagee.

(v) Unless and until the Leasehold Mortgagee succeeds to the interest of Tenant under this Lease, no liability for the payment of Base Rent, Additional Rent and/or the performance of any of Tenant's covenants and agreements under this Lease shall attach to or be imposed upon the Leasehold Mortgagee, all such liability being hereby expressly waived by Landlord. If the Leasehold Mortgagee or its nominee or designee shall succeed to the interest of Tenant under this Lease, the Leasehold Mortgagee shall not be liable for any of the obligations and liabilities of Tenant arising prior to the time of such succession.

(vi) Landlord, within ten (10) days after a request in writing by Tenant or the Leasehold Mortgagee, shall furnish a written statement, duly acknowledged, that this Lease is in full force and effect and that there are no defaults thereunder by Tenant, or if there are any defaults, such statement shall specify the defaults Landlord claims exist.

(vii) If Tenant fails to exercise any extension, renewal or purchase option in this Lease, if any, Landlord shall promptly send the Leasehold Mortgagee written notice thereof, and the Leasehold Mortgagee, within thirty (30) days after receipt of such notice, may exercise any such option, if any, on behalf of Tenant.

(viii) No payment made to Landlord by the Leasehold Mortgagee shall constitute agreement that such payment was, in fact, due under the terms of this Lease and the Leasehold Mortgagee having made any payment to Landlord pursuant to Landlord's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof provided it shall have made demand therefor not later than one (1) year after the date of its payment.

(ix) Notwithstanding any provision contained herein to the contrary, foreclosure of a Leasehold Mortgage or any sale of Tenant's interest in this Lease and the Demised Premises in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in the Leasehold Mortgage, or any conveyance of Tenant's interest in this Lease and the Demised Premises from Tenant to the Leasehold Mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings shall not require the consent or approval of Landlord or constitute a breach of any provision of or a default under this Lease.

(x) Upon request by Tenant or any Leasehold Mortgagee, Landlord and Tenant shall enter into a memorandum of lease to evidence this Lease which shall be recorded in the appropriate land records.

Section 13.11 At Tenant's request, Landlord shall execute and deliver to Tenant within ten (10) business days after receipt of Tenant's request therefor, an

agreement with any First Leasehold Lender or JPMC confirming the rights granted under this Section.

ARTICLE 14 -MAINTENANCE AND REPAIR

Section 14.1 **Tenant's Obligations.** Tenant will, at its sole cost and expense (but nevertheless as a portion of Operating Expenses), maintain the Improvements, reasonable wear and tear excepted, and make repairs, restorations, and replacements to the Improvements, including without limitation, the heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, structural roof, walls, and foundations, and the fixtures and appurtenances to the Improvements as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Tenant, its agents, employees, invitees, visitors, and contractors. All such repairs, restorations, and replacements will be in quality and class, as elected by Tenant, either equal to the original work or installations, or otherwise consistent with the standard then applicable to residential apartment projects within the geographical area of the Stamford/Norwalk PMSA at such time, but in no event of less quality or class than the original work or installations.

ARTICLE 15 -ALTERATIONS

Section 15.1 **Non-Structural Alterations.** Tenant may make any non-structural alterations, additions, or improvements to the Demised Premises without Landlord's consent.

Section 15.2 **Structural Alterations.** The Tenant shall obtain the prior written consent of Landlord, First Leasehold Lender, DOH, and JPMC (to the extent Tenant's obligations under such lenders' loan documents remain outstanding), which shall not be unreasonably withheld or delayed, for any structural alterations, additions or improvements to the Demised Premises, other than which has already been submitted to and approved by Landlord, First Leasehold Lender, DOH, and JPMC in terms of the Lawnhill Terrace Phase 4 Project, including, without limitation, the Plans and Specifications approved prior to the date hereof in connection with the First Leasehold Loan and the JPMC Loan.

Section 15.3 **No Liens.** Tenant shall not have any right, authority or power to bind Landlord, the Demised Premises or any other interest of Landlord in the Demised Premises and will pay or cause to be paid all costs and charges for work done by it or caused to be done by it, in or to the Demised Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the redevelopment, rehabilitation, construction or operation of the Improvements or any change, alteration or addition thereto. Any lien that is not released or bonded within ninety (90) days shall constitute an Event of Default under Section 18.2.

ARTICLE 16 -SURRENDER

Section 16.1 Expiration of Term. At the end of this Lease, Tenant will surrender the Demised Premises, together with the Improvements in their then “as-is” condition, provided that Tenant has maintained the Demised Premises (including without limitation any required casualty/condemnation restoration) pursuant to the terms of this Lease. Tenant may remove any movable equipment or furniture from any management office located on the Demised Premises.

ARTICLE 17 -CASUALTY; CONDEMNATION

Section 17.1 Restoration and Use of Proceeds. The Tenant, to the extent that insurance proceeds or condemnation award proceeds (“Proceeds”) permit, shall promptly cause the restoration, reconstruction, and/or repair (“Restoration”) of any damaged or destroyed property of the Improvements to the extent Restoration is feasible. Each Leasehold Mortgagee must permit Restoration if feasible (rather than require application of Proceeds to reduction of debt).

ARTICLE 18 -DEFAULT; REMEDIES

Section 18.1 Landlord’s Right to Perform

- (a) Landlord’s Option. If Tenant fails to pay when due amounts payable under this Lease or to perform any of its other obligations under this Lease within the time permitted for its performance, then Landlord, after fifteen (15) days’ prior written notice to Tenant and without waiving any of its rights under this Lease, may (but will not be required to) pay such amount or perform such obligation.
- (b) Additional Rent. All amounts so paid by Landlord and all reasonable out-of-pocket costs and expenses including legal fees, incurred by Landlord in connection with the performance of any such obligations will be payable by Tenant to Landlord within thirty (30) days after demand and shall constitute “Additional Rent” with interest thereon at the rate of twelve percent (12%) per annum from the date of Landlord’s having made each such payment or incurred each such cost or expense. Landlord shall provide Tenant with invoices and other reasonable evidence of the amounts paid or incurred by Landlord in connection with its exercise of its rights pursuant to this Article.

Section 18.2 Events of Default. At the option of Landlord, the occurrence of any of the following events shall constitute an Event of Default by Tenant:

- (a) Tenant defaults in the due and punctual payment of any Additional Rent, and such default continues for ten (10) days after written notice from Landlord;

- (b) Tenant vacates or abandons the Demised Premises for a period of more than thirty (30) consecutive days; provided, however, that in the event that Tenant fails to occupy the Demised Premises following a casualty, such failure in and of itself shall not be deemed to be an Event of Default pursuant to this subsection;
- (c) Other than by any exercise of remedies by Leasehold Mortgagee, this Lease or the Demised Premises or any part of the Demised Premises is taken upon execution or by other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant or claimant against Tenant, and such attachment is not discharged or bonded within ninety (90) days after its levy;
- (d) Failure to complete the Improvements by the Completion Date and such default is not cured within ninety (90) days after notice thereof to Tenant.
- (e) Tenant makes any assignment in violation of this Lease which is not cured within sixty (60) days after notice thereof to Tenant;
- (f) Other than those permitted under the terms of this Lease, a lien is placed on the Demised Premises that is not released or bonded within ninety (90) days of filing;
- (g) Tenant uses the Demised Premises for uses other than the Permitted Use provided for in Section 10.1 herein, which default is not cured within thirty (30) days after notice thereof to Tenant; or
- (h) Tenant breaches any of the other agreements, terms, covenants, or conditions which this Lease requires Tenant to perform, and such breach continues for a period of thirty (30) days after notice by Landlord to Tenant; provided, however, if the nature of the breach is such that it cannot reasonably be cured by Tenant within the period of thirty (30) days, Tenant shall not be deemed in default of this Lease if Tenant commences the curing of such default within such period of thirty (30) days and prosecutes in good faith the complete curing of same within one hundred eighty (180) days.

Section 18.3 Remedies for Lease Violations.

- (a) If one (1) or more Events of Default set forth in Section 18.2 shall occur, and subject to the provisions of Sections 18.3(b), (c) and (d) below, then Landlord may, in addition to any other remedies available at law or in equity, at its election exercise any of its rights, including but not limited to its: (i) right to terminate by giving lessee notice of termination and reenter the Premises, as further described and qualified in (iii) below; (ii) right to obtain damages, and (iii) terminate this Lease by written notice to Tenant

of Landlord's intention to so terminate this Lease on the date specified in such notice (the "Termination Notice"), which termination date shall not be earlier than ninety (90) days after delivery of such notice to allow Tenant and all Leasehold Mortgagees the opportunity to cure said Event of Default. Tenant's right to possession of the Demised Premises and the Improvements to the extent then built shall cease on the date specified in such notice, whereupon the estate conveyed by this Lease shall revert to Landlord. Anything contained herein to the contrary, the foregoing termination rights are expressly conditioned upon Landlord's compliance with Sections 18.3(b), (c) and (d) and 18.4 of this Lease.

- (b) Notwithstanding anything contained herein to the contrary, no termination of this Lease shall be effective unless and until:
 - (i) Landlord has provided DOH, JPMC, First Leasehold Lender, the Limited Partner and any, if any, other Leasehold Mortgagee of which it has written notice, contemporaneously with delivery of the same to the Tenant, copies of the Termination Notice; and
 - (ii) Any Leasehold Mortgagee or Limited Partner fails to notify the Landlord in writing within thirty (30) days of issuance of such notice that it has elected to cure the default that led to the Termination Notice and has commenced to diligently cure such default within sixty (60) days of the Termination Notice; provided, however, that should Limited Partner and/or each such Leasehold Mortgagee fail either to (x) commence to exercise their respective rights to cure hereunder within said sixty (60) day period, or (y) notify the Landlord that they have elected to exercise their respective rights to cure hereunder within said thirty (30) day period, then they shall thereafter be deemed to have waived their cure rights hereunder and Landlord shall have the right to terminate this Lease in accordance with the provisions of Section 18.3(a) hereof.
- (c) If any Leasehold Mortgagee provides written notification to Landlord of its intention to cure Tenant's Event of Default with respect to the completion of the Improvements (a "Completion Cure Notice"), and such notification is provided within sixty (60) days of receipt of the Termination Notice and the cure is commenced and diligently pursued within one hundred twenty (120) days, the aforesaid Event of Default shall be deemed to have been cured. The delivery of a Completion Cure Notice shall constitute a covenant by said Leasehold Mortgagee, as appropriate, to complete construction of the Improvements in accordance with the provisions of the First Leasehold Loan Documents, the DOH Loan Documents, the Seller Note Loan Documents, the Rippowam Sponsor Loan Documents, the Project Reserves Loan Documents, the Fee in Lieu

Loan Documents, and the LIHTC Documents, except that Landlord shall extend the Completion Date to the extent reasonably necessary. The First Leasehold Lender, JPMC, DOH and any other permitted Leasehold Mortgagee shall not be deemed to have assumed any liability to complete construction of the Improvements unless and until they have delivered a Completion Cure Notice to Landlord, which notice shall be irrevocable.

- (d) Notwithstanding the foregoing, so long as (i) the Tenant's obligations under the First Leasehold Loan Documents and/or the DOH Loan Documents remain outstanding, and/or (ii) RBC Tax Credit Equity, LLC (or an affiliate) is a limited partner of the Tenant, Landlord will not terminate this Lease or exercise any other rights or remedies it may have under the Lease in the event of a default. Landlord waives no rights or remedies it may have under the Ground Lease, but merely agrees not to enforce those rights or remedies until the end of the Compliance Period (as such term is defined in the Tenant's Partnership Agreement).

Section 18.4 Excusable Delays. Tenant's rights hereunder shall not be terminated and Tenant shall not be in default hereunder if a delay in Tenant's performance of its obligations hereunder arises from unforeseeable causes beyond the reasonable control and without the fault or negligence of Tenant. Examples of such causes include (a) acts of God, public enemy, or acts of terrorism, (b) acts or failure to act of Landlord or other governmental entity in either its sovereign or contractual capacity, (c) acts or failure to act of another contractor in the performance of a contract with Landlord, (d) fires, (e) floods, (f) epidemics, (g) quarantine restrictions, (h) strikes or labor disputes, (i) freight embargoes, (j) unusually severe weather, (k) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both Tenant and the subcontractors or suppliers, (l) delays caused by litigation, and (m) unusual disruptions in financial markets.

ARTICLE 19 -MISCELLANEOUS

Section 19.1 No Brokers. Neither Landlord nor Tenant has dealt with any broker or finder with regard to the Demised Premises or this Lease. Both Landlord and Tenant will indemnify, defend and hold the other harmless from and against any loss, liability and expense (including attorney's fees and court costs) arising out of claims for fees or commissions in connection with this Lease.

Section 19.2 Recordation. Landlord and Tenant shall record a Memorandum of this Lease in the Land Records of the City of Stamford. At the expiration of the Term, Landlord and Tenant shall execute a quitclaim termination of Tenant's interest in this Lease.

Section 19.3 Time of Essence. Time is of the essence with respect to each and every provision of this Lease.

Section 19.4 No Waiver; Termination. No waiver of any condition or agreement in this Lease by either Landlord or Tenant will imply or constitute a further waiver by such party of the same or any other condition or agreement. No act or thing done by Landlord or Landlord's agents during the Term will be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept such surrender will be valid unless in writing signed by Landlord. No payment by Tenant, or receipt from Landlord, of a lesser amount than the Base Rent, Additional Rent, or other charges or fees due as stipulated in this Lease will be deemed to be anything other than a payment on account of the same, and to the earliest due of the same. No endorsement or statement on any check, or any letter accompanying any check or payment as Rent, will be deemed an accord and satisfaction. Landlord will accept such check for payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy available to Landlord. If this Lease is assigned, or if the Demised Premises or any part of the Demised Premises is sublet or occupied by anyone other than Tenant, Landlord may collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the Rent reserved in this Lease. No such collection will be deemed a waiver of the covenant in this Lease against assignment and subletting, or the acceptance of the assignee, subtenant, or occupant as Tenant, or a release of Tenant from the complete performance by Tenant of its covenants in this Lease.

Section 19.5 Joint and Several Liability. If Tenant or Landlord is composed of more than one signatory to this Lease, each party will be jointly and severally liable with each other party for payment and performance according to this Lease.

Section 19.6 Captions, Exhibits, Gender, Etc. The captions are inserted in this Lease only for convenience of reference and do not define, limit, or describe the scope or intent of any provisions of this Lease. The exhibits to this Lease are incorporated into this Lease and are a part hereof. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine, and neuter adjectives include one another.

Section 19.7 Entire Agreement. This Lease, including all attached exhibits, contains the entire agreement between Landlord and Tenant with respect to its subject matter. Except for those which are specifically set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to one another with respect to this Lease. Except as otherwise specifically contemplated herein, in the event of any inconsistency between this Lease and the documents executed in connection with any Leasehold Mortgages, this Lease shall control.

Section 19.8 Amendment. This Lease can be amended only by a written document agreed to and signed by Landlord and Tenant (subject to the rights of the First Leasehold Lender, DOH, JPMC and any other permitted Leasehold Mortgagee), the approval of which both Landlord and Tenant mutually agree not to unreasonably withhold, delay or condition.

Section 19.9 Severability. If any provision of this Lease is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected and shall continue in full force and effect; and in lieu of each provision found to be illegal, invalid, or unenforceable, there will be added to this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible.

Section 19.10 Notices. Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease shall be in writing and shall be deemed given when received, if (i) delivered by hand, (ii) sent by registered or certified mail, return receipt requested, (iii) sent by recognized overnight delivery service such as Federal Express, or (iv) transmitted by facsimile or electronic mail, provided such notice is also sent simultaneously in the manner provided for in (i), (ii), or (iii) above, addressed as follows:

If to Tenant: LHT4 Limited Partnership
40 Clinton Avenue, Suite 101
Stamford, CT 06109
Attention: Vincent J. Tufo
Fax: (860) 275-6819

With a copy to: RBC Tax Credit Equity, LLC
600 Superior, Ave., Suite 2300
Cleveland, OH 44114
Attn: President and General Counsel

With a copy to: Hoopes Morganthaler Rausch & Scaramozza LLC
CityPlace II - 185 Asylum Street
Hartford, CT 06103
Attention: Melanie S. Rausch

If to Landlord: CEO
Housing Authority of the City of Stamford
22 Clinton Avenue
Stamford, CT 06901
Fax: (203) 977-1471

With a copy to: Hoopes Morganthaler Rausch & Scaramozza LLC
CityPlace II - 185 Asylum Street
Hartford, CT 06103
Attention: Melanie S. Rausch

If to JPMC: JPMorgan Chase Bank, N.A.
Community Development Banking
270 Park Avenue, 45th Floor
New York, NY 10017
Attention: Rashida McGhie, Vice President

With a copy to: JPMorgan Chase Bank, N.A.
Legal Department
237 Park Avenue, 12th Floor
Mailcode: NY1-R065
New York, New York 10017-3140
Attention: Michael R. Zients, Executive Director
and Assistant General Counsel

With a copy to: Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Aviva Yakren, Esq.

If to DOH: State of Connecticut, Department of Housing
505 Hudson Street
Hartford, CT 06106-7106
Attention: Commissioner of Housing

A party may change its address by giving written notice to the other parties as specified herein. Landlord shall, upon serving Tenant with any notice or other communication, whether of default or otherwise, simultaneously and in the same manner, serve a copy of such notice upon the Leasehold Mortgagees and Limited Partner. First Leasehold Lender's and JPMC's respective rights under this Lease shall remain in effect until such time as First Leasehold Lender and JPMC receive any such notice.

Section 19.11 Litigation Fees. Tenant shall be liable for the reasonable and actual legal expenses of the Landlord in connection with any collection of Base Rent, Additional Rent or other impositions owed under this Lease, the remedying of any default under this Lease, or any termination of this Lease where such collection, remedying or termination results from an Event of Default. Payment of any litigation cost or expense shall be determined by applicable state and federal law and is subject to the First Leasehold Lender's and JPMC's approval, as is any settlement of any such litigation subject to the foregoing parties' approval.

Section 19.12 Waiver of Jury Trial. Landlord and Tenant may waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on all matters arising out of this Lease.

Section 19.13 Governing Law and Venue. This Lease will be governed by and construed in accordance with the internal laws of the State of Connecticut, without regard to principles of conflicts of laws.

Section 19.14 Binding Effect. This Lease will inure to the benefit of, and will be binding upon, Landlord's successors and assigns except as otherwise provided in this Lease. This Lease will inure to the benefit of, and will be binding upon, Tenant's

successors and assigns so long as the succession or assignment is permitted pursuant to the terms of this Lease.

Section 19.15 Cumulative Rights. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 19.16 Relationship of Parties, No Third Party Beneficiary. The parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a principal agent relationship exist between them. Nothing contained in any agreement or contract between the parties hereto, nor any act of the First Leasehold Lender, JPMC, DOH, Landlord or Tenant will be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture or any association or relationship involving DOH, JPMC or the First Leasehold Lender. Notwithstanding anything to the contrary contained herein, the First Leasehold Lender and JPMC shall each be a third-party beneficiary of this Lease.

Section 19.17 Non-Merger. Except upon expiration of the Term or upon termination of this Lease pursuant to an express right of termination set forth herein, there shall be no merger of either this Lease or Tenant's estate created hereunder with the fee estate of the Demised Premises or any part thereof by reason of the fact that the same person may acquire, own or hold, directly or indirectly, (x) this Lease, Tenant's estate created hereunder or any interest in this Lease or Tenant's estate (including the Improvements), and (y) the fee estate in the Demised Premises or any part thereof or any interest in such fee estate (including the Improvements), unless and until all persons, including any assignee of Landlord, having an interest in (1) this Lease or Tenant's estate created hereunder, and (2) the fee estate in the Demised Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

Section 19.18 Counterparts. This Agreement may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

Section 19.19 Limited Liability. The Tenant shall look solely to the Landlord's interest in the Demised Premises for the satisfaction of any claims against the Landlord or its employees, agents, or assigns for the satisfaction of any claims arising pursuant to the Lease. Landlord shall look solely to Tenant's interest in the Demised Premises for the satisfaction of any claims arising pursuant to this Lease against Tenant or its partners, employees, agents, or assigns.

Section 19.20 Cooperation. Landlord and Tenant agree that they will cooperate with one another in all respects in furtherance of the Redevelopment. In particular, Landlord recognizes that the phased nature of the redevelopment process and the varied sources of project funding make it extremely difficult to anticipate every potential provision which may be required in this Lease. Notwithstanding Section 19.8, from time to

time, Tenant may request modifications to the Lease to satisfy the requirements of financing sources including, without limitation, government agencies and private lenders and equity sources. Landlord will use all reasonable efforts to accommodate such requests and will not unreasonably withhold or delay its approval and execution of modifications to this Lease which do not materially and adversely alter the basic terms hereof. Nothing herein shall impose upon Landlord any requirement to approve any modification or amendment to the Lease which would violate or contravene any applicable laws or any contract or agreement to which Landlord is a party or which is binding on Landlord. Landlord agrees that it will, upon request of Tenant, from time to time, enter into an amended and restated lease combining into one document the entire Lease and all amendments and modifications theretofore entered into.

Section 19.21 Estoppel Certificate. Landlord hereto agrees at any time and from time to time, within ten (10) days after written request from a Leasehold Mortgagee, to execute, acknowledge and deliver to the requesting party (or prospective lender, mortgagee, purchaser, assignee or subtenant) a written instrument certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that it is in full force and effect as modified and stating the modifications), and the dates to which all Base Rent and Additional Rent other charges have been paid in advance, if any, and stating whether or not, to the best knowledge of the requested party, Landlord or Tenant is in default in the performance of any covenant, agreement or condition contained in this Lease (and no conditions existing which but for the passage of time or the giving of notice would result in a default under the Lease) and, if so, specifying each such default of which it may have knowledge, and any such other matters as the requesting party may reasonably request, it being intended that any such statement delivered pursuant to this Section 19.21 may be relied upon by any existing or prospective purchaser, lender, mortgagee, assignee or subtenant.

Section 19.22 Right of First Refusal. If Landlord, at any time during the Term that there is no outstanding Event of Default by Tenant, shall receive an offer to purchase its interest in the Demised Premises, or any part thereof and desires to accept the offer, or should Landlord make an offer to sell its interest in the Demised Premises or any part thereof, Landlord shall give Tenant notice in writing of the offer, setting forth the name and address of the proposed purchaser, the amount of the proposed purchase price and all other terms and conditions of such offer, and Tenant shall have the first option to purchase Landlord's interest in the Demised Premises and/or any part thereof by giving written notice to Landlord within sixty (60) days of the date of Landlord's notice, of Tenant's intention to purchase at the same price and on substantially similar terms of any such offer, and in the event Landlord's interest in the Demised Premises and/or any part thereof is not sold as set forth in the offer for any reason, Tenant shall have, upon the same conditions and notice, the continuing first option to purchase the Demised Premises and/or any part thereof upon the terms of any subsequent offer to purchase or sell. In the event the Demised Premises and/or any part thereof are sold as set forth in the offer, then the provisions of this Section shall similarly apply to Landlord's successor, in the event such successor, at any time during the Term, shall receive an offer to purchase the Demised Premises and/or any part thereof and desires to accept the offer. Tenant's rights under this Section shall be

applicable to each and every sale of Landlord's interest in the Demised Premises and/or any part thereof or interest therein by Landlord and/or any successor to Landlord's interest under this Lease. Landlord and Tenant acknowledge that DOH, JPMC, and the First Leasehold Lender may have rights to approve any transfer or disposition of the Demised Premises, or any part thereof.

[REST OF PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Landlord and Tenant have executed this Lease as of the date of the Lease set forth above.

Witnesses:

LANDLORD:

**HOUSING AUTHORITY OF THE CITY
OF STAMFORD d/b/a Charter Oak
Communities**

By: _____
Name:
Title:

Witnesses:

TENANT:

LHT4 LIMITED PARTNERSHIP

By: LHT4 Housing Corporation
Its: General Partner

By: _____
Jonathan Gottlieb
Its: Vice President

[signature page to Ground Lease]

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

EXHIBIT B

PERMITTED ENCUMBRANCES

EXHIBIT C

LIST OF ENVIRONMENTAL REPORTS

EXHIBIT D

CERTAIN DEFINITIONS

“Environmental Laws” means any present or future federal, state or local law, ordinance, rule, regulation, permit, license or binding determination of any governmental authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health or safety, including, but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (“RCRA”); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. (“TOSCA”); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq. and any so-called “Superfund” or “Superlien” law; and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. (“OSHA”), as each is from time to time amended and hereafter in effect.

“Hazardous Materials” means:

- (a) “hazardous substances” as defined by CERCLA;
- (b) “hazardous wastes,” as defined by RCRA;
- (c) any hazardous, dangerous or toxic chemical, waste, pollutant, contaminant or substance (“pollutant”) within the meaning of any Environmental Law prohibiting, limited or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;
- (d) petroleum crude oil or fraction thereof;
- (e) any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. Section 2011 et seq. and amendments thereto and reauthorizations thereof;
- (f) regulated asbestos-containing materials in any form or condition; or
- (g) polychlorinated biphenyls above established remedial standards in any form or condition.

FUNDING LOAN AGREEMENT

between

JPMORGAN CHASE BANK, N.A.,
as Funding Lender

and

THE HOUSING AUTHORITY OF THE CITY OF STAMFORD,
as Governmental Lender

Dated as of December 1, 2021

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FUNDING LOAN AGREEMENT

This Funding Loan Agreement, dated as of December 1, 2021 (this “Funding Loan Agreement”), is entered into by JPMORGAN CHASE BANK, N.A. (together with any successor hereunder, the “Funding Lender”), and THE HOUSING AUTHORITY OF THE CITY OF STAMFORD, a public body corporate and politic, organized and existing under the laws of the State of Connecticut (together with its successors and assigns, the “Governmental Lender”).

RECITALS

WHEREAS, the Governmental Lender has been duly created and organized pursuant to and in accordance with the provisions of Chapter 128 of the General Statutes of the State of Connecticut, Revision of 1958, as amended (the “Act”); and

WHEREAS, the Governmental Lender is authorized: (a) to make loans to any person to provide financing for rental residential developments located within the jurisdiction of the Governmental Lender and intended to be occupied in part by persons of low and moderate income; (b) to incur indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish any required reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (c) to pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the payment of the principal of, prepayment premium, if any, on and interest on such indebtedness of the Governmental Lender; and

WHEREAS, LHT4 Limited Partnership, a limited partnership organized and existing under the laws of the State of Connecticut (the “Borrower”), has requested the Governmental Lender to enter into this Funding Loan Agreement under which the Funding Lender (i) will advance funds (the “Funding Loan”) to or for the account of the Governmental Lender, and (ii) apply the proceeds of the Funding Loan to make one or more loans (the “Borrower Loan”) to the Borrower to finance the rehabilitation, improvement, equipping and furnishing of a 34-unit multifamily residential rental housing development located in Stamford, Connecticut, known as Lawnhill Terrace 4 (the “Project”); and

WHEREAS, the Borrower Loan will consist of the Bond Loan in the amount of \$[10,500,000] which is evidenced by that certain Bond Note; and

WHEREAS, simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender and the Borrower will enter into a Borrower Loan Agreement of even date herewith (as it may be supplemented or amended, the “Borrower Loan Agreement”), whereby the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under this Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Bond Note, dated December [___], 2021 (the “Borrower Note”) and the obligations of the Borrower under the Borrower Note will be secured by a lien on and security interest in the Project pursuant to an Open-End Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of December 1, 2021 (the “Mortgage”), made by the Borrower in favor of the Governmental Lender, as assigned to the Funding Lender to secure the performance by the Governmental Lender of its obligations under the Funding Loan; and

WHEREAS, the Governmental Lender has executed and delivered to the Funding Lender its \$[10,500,000] Multifamily Housing Revenue Note (Lawnhill Terrace 4 Project), Series 2021 (the “Governmental Lender Note”), dated as of December [___], 2021, evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in this Funding Loan Agreement, all things necessary to make the Funding Loan Agreement the valid, binding and legal limited obligation of the Governmental Lender, have been done and performed and the execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Lender Note, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Agreement.

(b) The terms “herein, “hereof” and “hereunder” and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to “Approved Accounting Method” refer to such principles as they exist at the date of application thereof.

(e) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) References to the Governmental Lender Note as “tax exempt” or to the “tax exempt status” of the Governmental Lender Note are to the exclusion of interest on the Governmental Lender Note (other than any portion of the Governmental Lender Note held by a “substantial user” of the Project or a “related person” within the meaning of Section 147 of the Code) from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

(h) The following terms have the meanings set forth below:

“Additional Borrower Payments” shall have the meaning given such term in the Borrower Loan Agreement.

“Affiliate” shall mean, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

“Approved Transferee” means (1) a “qualified institutional buyer” (“QIB”) as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the “Securities Act”) that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more, (2) an affiliate of the Funding Lender, or (3) a trust or custodial arrangement established by the Funding Lender or one of its affiliates the beneficial interests in which will be owned only by QIBs.

“Authorized Amount” shall mean \$[10,500,000], the maximum principal amount of the Funding Loan under this Funding Loan Agreement.

“Authorized Governmental Lender Representative” shall mean the Chairwoman, Vice Chairman or Chief Executive Officer of the Governmental Lender, or such other person at the time designated to act on behalf of the Governmental Lender as evidenced by a written certificate furnished to the Funding Lender and the Borrower containing the specimen signature of such person and signed on behalf of the Governmental Lender by an Authorized Governmental Lender Representative. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Governmental Lender Representative.

“Bond Loan” shall have the meaning ascribed thereto in the Borrower Loan Agreement.

“Bond Note” shall mean that certain Borrower Note (Bond Note), between Governmental Lender and Borrower, dated the date hereof in the principal amount of \$[10,500,000].

“Borrower” shall mean LHT4 Limited Partnership, a limited partnership organized and existing under the laws of the State of Connecticut.

“Borrower Controlling Entity” shall mean, if the Borrower is a partnership, any general partner or managing partner of the Borrower, or if the Borrower is a limited liability company, the manager or managing member of the Borrower.

“Borrower Loan” shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to the Borrower Loan Agreement in the aggregate principal amount of the Borrower Loan Amount, as evidenced by the Borrower Note.

“Borrower Loan Agreement” shall mean the Borrower Loan Agreement, dated as of December 1, 2021, between the Governmental Lender and the Borrower, as supplemented, amended or replaced from time to time in accordance with its terms.

“Borrower Loan Agreement Default” shall mean any event of default set forth in Section 8.1 of the Borrower Loan Agreement. A Borrower Loan Agreement Default shall “exist” if a Borrower Loan Agreement Default shall have occurred and be continuing beyond any applicable cure period.

“Borrower Loan Amount” shall mean (i) during the Construction Term, \$[8,800,000], the original maximum principal amount of the Borrower Note, and (ii) during the Permanent Term, \$[3,050,000], each as may be reduced pursuant to the terms hereof.

“Borrower Loan Documents” shall have the meaning given such term in the Borrower Loan Agreement.

“Borrower Loan Payments” shall mean the monthly loan payments payable pursuant to the Borrower Note.

“Borrower Note” shall mean the “Borrower Note” as defined in the Borrower Loan Agreement.

“Business Day” shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

“Closing Date” shall mean December [___], 2021, the date that initial Funding Loan proceeds are disbursed hereunder.

“Code” shall mean the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Contingency Draw Down Agreement” means the Contingency Draw Down Agreement of even date herewith between the Funding Lender and the Borrower relating to possible conversion of the Funding Loan from a draw down loan to a fully funded loan.

“Control” shall mean, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

“Default” shall mean the occurrence of an event, which, under any Funding Loan Document, would, but for the giving of notice or passage of time, or both, be an event of default under the applicable Funding Loan Document or a Borrower Loan Agreement Default.

“Depository Trust Company” shall mean the Depository Trust Company, a limited purpose trust company under New York banking law and a registered clearing agency with the United States Securities and Exchange Commission.

“Draw Down Notice” shall mean a notice described in Section 1.01 of the Contingency Draw Down Agreement regarding the conversion of the Funding Loan from a draw down loan to a fully funded loan.

“Event of Default” shall have the meaning ascribed thereto in Section 9.1 hereof.

“Fitch” shall mean Fitch Ratings, Inc., or its successor.

“Funding Lender” shall mean JPMorgan Chase Bank, N.A., a national banking association, and any successor under this Funding Loan Agreement and the Borrower Loan Documents.

“Funding Loan Agreement” shall mean this Funding Loan Agreement, of even date herewith, by and between the Funding Lender and the Governmental Lender, as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental thereto entered into pursuant to the applicable provisions thereof.

“Funding Loan Documents” shall mean (i) this Funding Loan Agreement, (ii) the Borrower Loan Agreement, (iii) the Regulatory Agreement, (iv) the Tax Certificate, (v) the Borrower Loan Documents, (vi) all other documents evidencing, securing, governing or otherwise pertaining to the Funding Loan, and (vii) all amendments, modifications, renewals and substitutions of any of the foregoing.

“Government Obligations” shall mean noncallable, nonprepayable (i) direct, general obligations of the United States of America, or (ii) any obligations unconditionally guaranteed as to the full and timely payment of all amounts due thereunder by the full faith and credit of the United States of America (including obligations held in book entry form), but specifically excluding any mutual funds or unit investment trusts invested in such obligations.

“Governmental Lender” shall mean The Housing Authority of the City of Stamford, a public body corporate and politic, organized and existing under the laws of the State of Connecticut.

“Governmental Lender Note” shall mean the Governmental Lender Note described in the recitals of this Funding Loan Agreement.

“Highest Rating Category” shall mean, with respect to a Permitted Investment, that the Permitted Investment is rated by each Rating Agency in the highest rating category given by that Rating Agency for that general category of security. If at any time the Governmental Lender Note is not rated (and, consequently, there is no Rating Agency), then the term “Highest Rating Category” means, with respect to a Permitted Investment, that the Permitted Investment is rated by S&P or Moody’s in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax exempt municipal debt established by S&P is “A 1+” for debt with a term of one year or less and “AAA” for a term greater than one year, with corresponding ratings by Moody’s of “MIG 1” (for fixed rate) or “VMIG 1” (for variable rate) for three months or less and “Aaa” for greater than three months. If at any time (i) the Governmental Lender Note is not rated, (ii) both S&P and Moody’s rate a Permitted Investment and (iii) one of those ratings is below the Highest Rating Category, then such Permitted Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, a Permitted Investment rated “AAA” by S&P and “Aa3” by Moody’s is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Permitted Investment will be deemed to be rated below the Highest Rating Category. For example, a Permitted Investment rated “AAA” by S&P and “A1” by Moody’s is not rated in the Highest Rating Category.

“Maturity Date” shall mean with respect to the \$[10,500,000] Multifamily Housing Revenue Note (Lawnhill Terrace 4 Project), Series 2021, December [___], 2054 or such extended date as determined pursuant to Article V of the Borrower Loan Agreement.

“Maximum Rate” shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Funding Loan under State law.

“Minimum Beneficial Ownership Amount” shall mean an amount no less than fifteen percent (15%) of the outstanding principal amount of the Funding Loan.

“Moody’s” shall mean Moody’s Investors Service, Inc., or its successor.

“Mortgage” shall mean the Open-End Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (as amended, restated and/or supplemented from time to time) of even date herewith, made by the Borrower in favor of the Governmental Lender, as assigned to the Funding Lender to secure the performance by the Governmental Lender of its obligations under the Funding Loan.

“Noteowner” or “owner of the Governmental Lender Note” means the owner, or as applicable, collectively the owners, of the Governmental Lender Note as shown on the registration books maintained by the Funding Lender pursuant to Section 2.4(d).

“Opinion of Counsel” shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Governmental Lender with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Governmental Lender Note from gross income for purposes of federal income taxation, such opinion shall be provided by Tax Counsel.

“Permanent Loan” shall mean the portion of the Borrower Loan in the principal amount of up to \$[3,050,000] evidenced by the Bond Note and effective upon the satisfaction of the Conversion Conditions.

“Permitted Investments” shall mean, to the extent authorized by law for investment of any moneys held under this Funding Loan Agreement:

- (a) Government Obligations.
- (b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.
- (c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.
- (d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short term obligations are rated in the Highest Rating Category.
- (e) Commercial paper rated in the Highest Rating Category.
- (f) Interest bearing negotiable certificates of deposit, interest bearing time deposits, interest bearing savings accounts and bankers’ acceptances, issued by a Qualified Financial Institution if either (i) the Qualified Financial Institution’s unsecured short term obligations are rated in the Highest Rating Category or (ii) such deposits, accounts or acceptances are fully collateralized by investments described in clauses (a) or (b) of this definition or fully insured by the Federal Deposit Insurance Corporation.
- (g) An agreement held by the Funding Lender for the investment of moneys at a guaranteed rate with a Qualified Financial Institution whose unsecured long term obligations are rated in the Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long term obligations are rated in the Highest Rating Category; provided that

such agreement is in a form acceptable to the Funding Lender; and provided further that such agreement includes the following restrictions:

(1) the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Funding Lender is required to pay moneys from the Fund(s) established under this Funding Loan Agreement to which the agreement is applicable, or (B) any Rating Agency indicates that it will lower or actually lowers, suspends or withdraws the rating on the Funding Loan on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(2) the agreement, and if applicable the guarantee or insurance, is an unconditional and general obligation of the provider and, if applicable, the guarantor or insurer of the agreement, and ranks *pari passu* with all other unsecured unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(3) the Funding Lender receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms; and

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, the provider must, within ten days, either: (A) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Funding Lender or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Funding Lender, or, if the agreement is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Funding Lender or a third party custodian, in an amount reasonably satisfactory to the Funding Lender, (B) at the request of the Funding Lender, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium unless required by law or (C) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long term obligations are then rated in the Highest Rating Category. The agreement may provide that the down graded provider may elect which of the remedies to the down grade (other than the remedy set out in (B)) to perform.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Funding Lender or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated "AAAm G" or "AAAm" by S&P or "Aaa" by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Funding Lender, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Governmental Lender Note is rated by a Rating Agency, the money market mutual fund must be rated "AAAm G" or "AAAm" by S&P, if S&P is a Rating Agency, or "Aaa" by Moody's, if Moody's is a Rating Agency. If at any time the Governmental Lender Note is not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated "AAAm G" or "AAAm" by S&P or Aaa by Moody's. If at any time (i) the Governmental Lender Note is not rated, (ii) both S&P and Moody's rate a money market mutual fund and

(iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Funding Lender.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to Permitted Investments listed in paragraphs (g) and (i).

(2) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation.

(3) Any asset backed security, including mortgage backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset backed securities and auto loan asset backed securities.

(4) Any interest only or principal only stripped security.

(5) Any obligation bearing interest at an inverse floating rate.

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment.

(9) Any investment to which S&P has added an “r” or “t” highlighter.

“Person” shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“Pledged Revenues” shall mean the amounts pledged under this Funding Loan Agreement to the payment of the principal of, prepayment premium, if any, and interest on the Funding Loan and the Governmental Lender Note, consisting of the following: (i) all income, revenues, proceeds and other amounts to which the Governmental Lender is entitled (other than amounts received by the Governmental Lender with respect to the Unassigned Rights) derived from or in connection with the Project and the Funding Loan Documents, including all Borrower Loan Payments due under the Borrower Loan Agreement and the Borrower Note, payments with respect to the Borrower Loan Payments and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents and all

receipts credited under the provisions of this Funding Loan Agreement against said amounts payable, and (ii) moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon.

“Prepayment Premium” shall mean (i) any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any Prepayment Premium as set forth in the Borrower Note) and (ii) any premium payable on the Governmental Lender Note pursuant to this Funding Loan Agreement.

“Project” shall have the meaning given to that term in the Borrower Loan Agreement.

“Qualified Financial Institution” shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, savings and loan association, or insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by the Funding Lender the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (vii) other entity which is acceptable to the Funding Lender. With respect to an entity which provides an agreement held by the Funding Lender for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term “Permitted Investments” or an entity which guarantees or insures, as applicable, the agreement, a “Qualified Financial Institution” may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

“Rating Agency” shall mean any one and each of S&P, Moody’s and Fitch then rating the Permitted Investments or any other nationally recognized statistical rating agency then rating the Permitted Investments, which has been approved by the Funding Lender.

“Regulations” shall mean with respect to the Code, the relevant U.S. Treasury regulations and proposed regulations thereunder or any relevant successor provision to such regulations and proposed regulations.

“Regulatory Agreement” shall mean that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the date hereof, by and between the Governmental Lender and the Borrower, as hereafter amended or modified.

“Required Transferee Representations” shall mean the representations in substantially the form attached to this Funding Loan Agreement as Exhibit B.

“Resolution” shall mean the resolution of the Governmental Lender authorizing the Funding Loan and the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Security” shall mean the security for the performance by the Governmental Lender of its obligations under the Governmental Lender Note and this Funding Loan Agreement as more fully set forth in Article IV hereof.

“Servicer” shall mean any servicer appointed by the Funding Lender to perform certain servicing functions with respect to the Funding Loan and on the Borrower Loan pursuant to a separate servicing agreement to be entered into between the Funding Lender and the Servicer. Initially the Servicer shall be the Funding Lender pursuant to this Funding Loan Agreement.

“Servicing Agreement” shall mean any servicing agreement entered into between the Funding Lender and a Servicer with respect to the servicing of the Funding Loan and/or the Borrower Loan.

“S&P” shall mean S&P Global Ratings, a division of Standard & Poor’s Financial Services, Inc., and its successors.

“State” shall mean the State of Connecticut.

“Tax Certificate” shall mean the Tax Certificate, dated the Closing Date, executed and delivered by the Governmental Lender and the Borrower.

“Tax Counsel” shall mean Robinson & Cole LLP or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

“Tax Counsel Approving Opinion” shall mean an opinion of Tax Counsel substantially to the effect that the Governmental Lender Note constitutes a valid and binding obligation of the Governmental Lender and that, under existing statutes, regulations published rulings and judicial decisions, the interest on the Governmental Lender Note is excludable from gross income for federal income tax purposes (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Tax Counsel No Adverse Effect Opinion” shall mean an opinion of Tax Counsel to the effect that the taking of the action specified therein will not impair the exclusion of interest on the Governmental Lender Note from gross income for purposes of federal income taxation (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“UCC” shall mean the Uniform Commercial Code as in effect in the State.

“Unassigned Rights” shall mean the Governmental Lender’s rights to reimbursement and payment of its fees, costs and expenses and the Rebate Amount under Section 2.5 of the Borrower Loan Agreement, its rights of access under Section 7.17 thereof, its rights to indemnification under Section 7.15 thereof, its rights to attorneys’ fees under Sections 7.11 and 7.14 thereof, its rights to receive notices, reports and other statements and its rights to consent to certain matters, as provided in this Funding Loan Agreement and the Borrower Loan Agreement.

“Written Certificate,” “Written Certification,” “Written Consent,” “Written Direction,” “Written Notice,” “Written Order,” “Written Registration,” “Written Request,” and “Written Requisition” shall mean a written certificate, direction, notice, order or requisition signed by an Authorized Borrower Representative, an Authorized Governmental Lender Representative or an authorized representative of the Funding Lender and delivered to the Funding Lender, the Servicer or such other Person as required under the Funding Loan Documents.

“Yield” shall mean yield as defined in Section 148(h) of the Code and any regulations promulgated thereunder.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. Date of Funding Loan Agreement. The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date.

Section 1.4. Designation of Time for Performance. Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the time of day in the city where the Funding Lender maintains its place of business for the performance of its obligations under this Funding Loan Agreement.

Section 1.5. Interpretation. The parties hereto acknowledge that each of them and their respective counsel have participated in the drafting and revision of this Funding Loan Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto.

ARTICLE II

TERMS; GOVERNMENTAL LENDER NOTE

Section 2.1. Terms.

(a) Principal Amount. The total principal amount of the Funding Loan is hereby expressly limited to the Authorized Amount.

(b) Draw Down Funding. The Governmental Lender Note is originated on a Draw Down basis. The proceeds of the Governmental Lender Note shall be advanced by the Funding Lender directly to the Borrower for the account of the Governmental Lender as and when needed to make each advance in accordance with the disbursement provisions of the Borrower Loan Agreement. Upon each advance of principal under the Borrower Loan Agreement, a like amount of the Governmental Lender Note shall be deemed concurrently and simultaneously advanced under this Funding Loan Agreement, including the initial advance of \$[____].00. Subject to the terms and conditions of the Borrower Loan Agreement the Funding Lender agrees to advance, on behalf of the Governmental Lender, to the Borrower under the Borrower Loan Agreement at least \$50,000.00 on the Closing Date, and the Funding Lender agrees to correspondingly and simultaneously advance for the account of the Governmental Lender under this Funding Loan Agreement as an advance on the Governmental Lender Note.

(c) Origination Date; Maturity. The Funding Loan shall be originated on the Closing Date and shall mature on the Maturity Date at which time the entire principal amount, to the extent not previously paid, and all accrued and unpaid interest, shall be due and payable.

(d) Principal. The outstanding principal amount of the Governmental Lender Note and of the Funding Loan as of any given date shall be the Authorized Amount less any payments of principal of the Governmental Lender Note previously received upon payment of corresponding principal amounts under the Borrower Note, including regularly scheduled principal payments and voluntary and mandatory prepayments. The principal amount of the Governmental Lender Note and interest thereon shall be payable on the basis specified in this paragraph (c) and in paragraphs (d) and (e) of this Section 2.1.

The Funding Lender shall keep a record of all principal repayments made under the Governmental Lender Note and shall upon written request provide the Governmental Lender with a statement of the outstanding principal balance of the Governmental Lender Note and the Funding Loan.

(e) Interest. Interest shall be paid on the outstanding principal amount of the Governmental Lender Note at the rate or rates set forth in the Borrower Note and otherwise as set forth in the Borrower Loan Agreement.

(f) Corresponding Payments. The payment or prepayment of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Note shall be identical with and shall be made on the same dates, terms and conditions, as the principal, interest, premiums, late payment fees and other amounts due on the Borrower Note. Any payment or prepayment made by the Borrower of principal, interest, premium, if any, due on the Borrower Note shall be deemed to be like payments or prepayments of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Note.

(g) Usury. The Governmental Lender intends to conform strictly to the usury laws applicable to this Funding Loan Agreement and the Governmental Lender Note and all agreements made in the Governmental Lender Note, this Funding Loan Agreement and the Funding Loan Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid as interest or the amounts paid for the use of money advanced or to be advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Funding Lender shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Funding Lender, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Borrower. This paragraph shall control every other provision of the Governmental Lender Note, this Funding Loan Agreement and all other Funding Loan Documents.

In determining whether the amount of interest charged and paid might otherwise exceed the limit prescribed by law, the Governmental Lender intends and agrees that (i) interest shall be computed upon the assumption that payments under the Borrower Loan Agreement and other Funding Loan Documents will be paid according to the agreed terms, and (ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Funding Loan.

Section 2.2. Form of Governmental Lender Note. As evidence of its obligation to repay the Funding Loan, simultaneously with the delivery of this Funding Loan Agreement to the Funding Lender, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Note. The Governmental Lender Note shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement.

Section 2.3. Execution and Delivery of Governmental Lender Note. The Governmental Lender Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of Authorized Governmental Lender Representative. The manual or facsimile signatures of

individuals who were the proper officers of the Governmental Lender at the time of execution shall bind the Governmental Lender, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of the Governmental Lender Note or shall not have held such offices at the date of the Governmental Lender Note.

Section 2.4. Required Transferee Representations; Participations; Sale and Assignment.

(a) The Funding Lender shall deliver to the Governmental Lender the Required Transferee Representations in substantially the form attached hereto as Exhibit B on the Closing Date.

(b) The Funding Lender shall have the right to sell (i) the Governmental Lender Note and the Funding Loan or (ii) any portion of or a participation interest in the Governmental Lender Note and the Funding Loan, provided that such sale shall be only to Approved Transferees that execute and deliver to the Funding Lender, with a copy to the Governmental Lender, the Required Transferee Representations.

(c) Intentionally Omitted.

(d) No service charge shall be made for any sale or assignment of any portion of the Governmental Lender Note, but the Governmental Lender may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such sale or assignment. Such sums shall be paid in every instance by the purchaser or assignee of the Funding Loan or portion thereof.

(e) The Governmental Lender Note, or any interest therein, shall be in fully-registered form transferable to subsequent holders only on the registration books which shall be maintained by the Funding Lender for such purpose and which shall be open to inspection by the Governmental Lender. The Governmental Lender Note shall not be transferred through the services of the Depository Trust Company or any other third party registrar.

(f) The parties agree that no rating shall be sought from a rating agency with respect to the Funding Loan or the Governmental Lender Note.

ARTICLE III

PREPAYMENT

Section 3.1. Prepayment of the Governmental Lender Note from Prepayment under the Borrower Note. The Governmental Lender Note is subject to voluntary and mandatory prepayment as follows:

(a) The Governmental Lender Note shall be subject to voluntary prepayment in full or in part by the Governmental Lender, from funds of the Governmental Lender received by the Governmental Lender to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the principal balance of the Borrower Note to be prepaid, plus interest thereon to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Borrower Payments due and payable under the Borrower Loan Agreement through the date of prepayment.

The Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Governmental Lender Note to be prepaid, except as specifically permitted in

the Borrower Note, without the prior written consent of Funding Lender, which may be withheld in Funding Lender's sole and absolute discretion.

(b) The Governmental Lender Note shall be subject to mandatory prepayment in whole or in part upon prepayment of the Borrower Note at the direction of the Funding Lender in accordance with the terms of the Borrower Note at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or the Borrower Loan Agreement.

Section 3.2. Notice of Prepayment. Notice of prepayment of the Governmental Lender Note shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to Funding Lender in accordance with the terms of the Borrower Note and the Borrower Loan Agreement, and no separate notice of prepayment of the Governmental Lender Note is required to be given.

ARTICLE IV

SECURITY

Section 4.1. Security for the Funding Loan. To secure the payment of the Funding Loan and the Governmental Lender Note, to declare the terms and conditions on which the Funding Loan and the Governmental Lender Note are secured, and in consideration of the premises and of the funding of the Funding Loan by the Funding Lender, the Governmental Lender by these presents does grant, bargain, sell, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Funding Lender (except as limited herein), a lien on and security interest in the following described property (excepting, however, in each case, the Unassigned Rights) (said property, rights and privileges being herein collectively called, the "Security"):

(a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the Governmental Lender from the Borrower relating to the Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under this Funding Loan Agreement shall not impair or diminish the obligations of the Governmental Lender under the provisions of the Borrower Loan Agreement;

(b) All right, title and interest of the Governmental Lender in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Documents, and all other payments, revenues and receipts derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Funding Loan Documents;

(c) Any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under this Funding Loan Agreement, subject to the provisions of this Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

(d) Any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Funding Loan Agreement as additional security by the Governmental Lender or anyone on its part or with its consent, or which pursuant to any of the provisions hereof or of the Borrower Loan Agreement may

come into the possession or control of the Funding Lender or a receiver appointed pursuant to this Funding Loan Agreement; and the Funding Lender is hereby authorized to receive any and all such property as and for additional security for the Funding Loan and the Governmental Lender Note and to hold and apply all such property subject to the terms hereof.

The pledge and assignment of and the security interest granted in the Security pursuant to this Section 4.1 for the payment of the principal of, premium, if any, and interest on the Governmental Lender Note, in accordance with its terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Governmental Lender Note by the Governmental Lender. The Security so pledged and then or thereafter received by the Funding Lender shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

Section 4.2. Delivery of Security. To provide security for the payment of the Funding Loan and the Governmental Lender Note, the Governmental Lender has pledged and assigned to secure payment of the Funding Loan and the Governmental Lender Note its right, title and interest in the Security to the Funding Lender. In connection with such pledge, assignment, transfer and conveyance, the Governmental Lender shall deliver to the Funding Lender the following documents or instruments promptly following their execution and, to the extent applicable, their recording or filing:

- (a) The Borrower Note endorsed without recourse to the Funding Lender by the Governmental Lender;
- (b) The originally executed Borrower Loan Agreement and Regulatory Agreement;
- (c) The originally executed Mortgage and all other Borrower Loan Documents existing at the time of delivery of the Borrower Note and an assignment for security of the Mortgage from the Governmental Lender to the Funding Lender, in recordable form;
- (d) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Funding Lender's status as an assignee of the Governmental Lender's security interest in any personal property forming part of the Project, in form suitable for filing; and
- (e) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement.

The Governmental Lender shall deliver and deposit with the Funding Lender such additional documents, financing statements, and instruments as the Funding Lender may reasonably require from time to time for the better perfecting and assuring to the Funding Lender of its lien and security interest in and to the Security, at the expense of the Borrower.

ARTICLE V

LIMITED LIABILITY

Section 5.1. Source of Payment of Funding Loan and Other Obligations. The Funding Loan is a limited obligation of the Governmental Lender, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned hereunder. None of the Governmental Lender, the

State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein, and none of the Funding Loan or the Governmental Lender Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan, the Governmental Lender Note, or hereunder, shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

Section 5.2. Exempt from Individual Liability. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future officer, director, employee or agent of the Governmental Lender in his or her individual capacity, and neither the officers, directors, employees or agents of the Governmental Lender executing the Governmental Lender Note or this Funding Loan Agreement shall be liable personally on the Governmental Lender Note or under this Funding Loan Agreement or be subject to any personal liability or accountability by reason of the issuance of the Governmental Lender Note or the execution of this Funding Loan Agreement.

ARTICLE VI

CLOSING CONDITIONS; APPLICATION OF FUNDS

Section 6.1. Conditions Precedent to Closing. Closing of the Funding Loan on the Closing Date shall be conditioned upon satisfaction or waiver by the Funding Lender in its sole discretion of each of the conditions precedent to closing set forth in this Funding Loan Agreement, including but not limited to the following:

- (a) Receipt by the Funding Lender of the original Governmental Lender Note;
- (b) Receipt by the Funding Lender of the original executed Borrower Note, endorsed to the Funding Lender by the Governmental Lender;
- (c) Receipt by the Funding Lender of executed counterpart copies of this Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Tax Certificate and the Mortgage;
- (d) A certified copy of the Resolution;
- (e) Executed Required Transferee Representations from the Funding Lender;
- (f) Payment of all amounts required in connection with the origination of the Borrower Loan and the Funding Loan and any underlying real estate transfers or transactions, including the Costs of Funding Deposit, in accordance with Section 2.3(c)(ii) of the Borrower Loan Agreement;
- (g) Receipt by the Funding Lender of a Tax Counsel Approving Opinion;
- (h) Receipt by the Funding Lender of an Opinion of Counsel from Tax Counsel to the effect that the Governmental Lender Note is exempt from registration under the Securities Act of 1933, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(i) Delivery of an opinion of counsel to the Borrower addressed to the Governmental Lender to the effect that the Borrower Loan Documents and the Regulatory Agreement are valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to such exceptions and qualifications as are acceptable to the Governmental Lender; and

(j) Receipt by the Funding Lender of any other documents or opinions that the Funding Lender or Tax Counsel may require.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.1. Authorization to Create Funds and Accounts. No funds or accounts shall be established in connection with the Funding Loan at the time of closing and origination of the Funding Loan. The Funding Lender and the Servicer, if any, are authorized to establish and create from time to time such other funds and accounts or subaccounts as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards), if any, received by the Governmental Lender, the Funding Lender or the Servicer pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents and/or the Borrower Loan Documents.

Section 7.2. Investment of Funds. Amounts held in any funds or accounts created under this Funding Loan Agreement shall be invested in Permitted Investments at the direction of the Borrower, subject in all cases to the restrictions of Section 8.7 hereof and of the Tax Certificate.

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.1. General Representations. The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a public body corporate and politic, organized and existing under the laws of the State of Connecticut, has the power and authority to (i) enter into the Funding Loan Documents to which it is a party and the transactions contemplated thereby, (ii) incur the limited obligation represented by the Governmental Lender Note and the Funding Loan and apply the proceeds of such obligation or loan to finance the Project and (iii) carry out its other obligations under this Funding Loan Agreement and the Governmental Lender Note, and by proper action has duly authorized the Governmental Lender's execution and delivery of, and its performance under, such Funding Loan Documents and all other agreements and instruments relating thereto.

(b) The Governmental Lender is not in default under or in violation of, and the execution and delivery of the Funding Loan Documents to which it is a party and its compliance with the terms and conditions thereof will not conflict or constitute a default under or a violation of, (i) the Act, (ii) to its knowledge, any other existing laws, rules, regulations, judgments, decrees and orders applicable to it, or (iii) to its knowledge, the provisions of any agreements and instruments to which the Governmental Lender is a party, a default under or violation of which would prevent it from entering into the Funding Loan Agreement, executing and delivering the Governmental Lender Note, financing the Project, executing and delivering the other Funding Loan Documents to which it is a party or consummating the transactions contemplated thereby, and, to its knowledge, no event has occurred and is continuing under the provisions of any such agreement or instrument or otherwise that with the lapse of time or the giving

of notice, or both, would constitute such a default or violation (it being understood, however, that the Governmental Lender is making no representations as to the necessity of registering the Borrower Note pursuant to any securities laws or complying with any other requirements of securities laws).

(c) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender with respect to (i) the organization and existence of the Governmental Lender, (ii) its authority to execute or deliver the Funding Loan Documents to which it is a party, (iii) the validity or enforceability of any such Funding Loan Documents or the transactions contemplated thereby, (iv) the title of any officer of the Governmental Lender who executed such Funding Loan Documents or (v) any authority or proceedings relating to the execution and delivery of such Funding Loan Documents on behalf of the Governmental Lender, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(d) The revenues and receipts to be derived from the Borrower Loan Agreement, the Borrower Note and this Funding Loan Agreement have not been pledged previously by the Governmental Lender to secure any of its notes or bonds other than the Funding Loan Agreement as evidenced by the Governmental Lender Note.

(e) The Connecticut Office of Policy and Management has provided an allocation of the State's 2021 private activity bond volume cap under section 146 of the Code to the Governmental Lender for the Governmental Lender Note, the Governmental Lender has timely made any required carry forward election with respect to such allocation.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE FUNDING LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

Section 8.2. No Encumbrance on Security. The Governmental Lender will not knowingly create or knowingly permit the creation of any mortgage, pledge, lien, charge or encumbrance of any kind on the Security or any part thereof prior to or on a parity with the lien of this Funding Loan Agreement, except as expressly permitted or contemplated by the Funding Loan Documents.

Section 8.3. Repayment of Funding Loan. Subject to the provisions of Article III hereof, the Governmental Lender will duly and punctually repay, or cause to be repaid, the Funding Loan, as evidenced by the Governmental Lender Note, as and when the same shall become due, all in accordance with the terms of the Governmental Lender Note and this Funding Loan Agreement.

Section 8.4. Servicer. The Funding Lender may appoint a Servicer to service and administer the Governmental Loan and/or the Borrower Loan on behalf of the Funding Lender, including without limitation the fulfillment of rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to Section 2.1 of the Borrower Loan Agreement.

Section 8.5. Borrower Loan Agreement Performance.

(a) The Funding Lender and the Servicer, if any, on behalf of the Governmental Lender, may (but shall not be required or obligated) perform and observe any agreement or covenant of the

Governmental Lender under the Borrower Loan Agreement, all to the end that the Governmental Lender's rights under the Borrower Loan Agreement may be unimpaired and free from default.

(b) The Governmental Lender will promptly notify the Borrower, the Servicer and the Funding Lender in writing of the occurrence of any Borrower Loan Agreement Default, provided that the Governmental Lender has received written notice or otherwise has knowledge of such event.

Section 8.6. Maintenance of Records; Inspection of Records.

(a) The Funding Lender shall keep and maintain adequate records pertaining to any funds and accounts established hereunder, including all deposits to and disbursements from said funds and accounts and shall keep and maintain the registration books for the Funding Loan and interests therein. The Funding Lender shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and premium paid on the Funding Loan, subject to the inspection of the Governmental Lender and its representatives at all reasonable times and upon reasonable prior notice.

(b) The Governmental Lender will at any and all times, upon the reasonable request of the Servicer, the Borrower or the Funding Lender, afford and procure a reasonable opportunity by their respective representatives to inspect the books, records, reports and other papers of the Governmental Lender relating to the Project and the Funding Loan, if any, and to make copies thereof.

Section 8.7. Tax Covenants. The Governmental Lender covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other instrument, it will:

(a) Enforce or cause to be enforced all obligations of the Borrower under the Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any violation of the Regulatory Agreement within a reasonable period after any such violation is first discovered;

(b) Not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Governmental Lender Note to be includable in gross income for federal income tax purposes;

(c) At all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Governmental Lender Note will be excluded from the gross income of the holders of the Governmental Lender Note, for federal income tax purposes, pursuant to Section 103 of the Code, except in the event where any holder of the Funding Loan or a portion thereof is a "substantial user" of the facilities financed with the Funding Loan or a "related person" within the meaning of Section 147(a) of the Code;

(d) Not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Funding Loan to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations;

(e) Require the Borrower to agree, pursuant to the terms and provisions of the Borrower Loan Agreement, not to commit any act and not to make any use of the proceeds of the Funding Loan, or any other moneys which may be deemed to be proceeds of the Funding Loan pursuant to the Code, which would cause the Funding Loan to be an "arbitrage bond" within the meaning of Sections 103(b) and 148 the Code, and to comply with the requirements of the Code throughout the term of the Funding Loan; and

(f) Require the Borrower to take all steps necessary to compute and pay any rebatable arbitrage in accordance with Section 148(f) of the Code.

In furtherance of the covenants in this Section 8.7, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which are by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full.

For purposes of this Section 8.7 the Governmental Lender's compliance shall be based solely on matters within the Governmental Lender's control and no acts, omissions or directions of the Borrower, the Funding Lender or any other Persons shall be attributed to the Governmental Lender.

In complying with the foregoing covenants, the Governmental Lender may rely from time to time on a Tax Counsel No Adverse Effect Opinion or other appropriate opinion of Tax Counsel.

Section 8.8. Performance by the Borrower. Without relieving the Governmental Lender from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the Governmental Lender, may (but is not obligated to) perform any such agreement or covenant if no Borrower Loan Agreement Default or Potential Default under the Borrower Loan Agreement exists.

ARTICLE IX

DEFAULT; REMEDIES

Section 9.1. Events of Default. Any one or more of the following shall constitute an event of default (an "Event of Default") under this Funding Loan Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or Governmental body):

(a) A default in the payment of any interest upon the Governmental Lender Note when such interest becomes due and payable; or

(b) A default in the payment of principal of, or premium on, the Governmental Lender Note when such principal or premium becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for mandatory prepayment or otherwise; or

(c) Subject to Section 8.8 hereof, default in the performance or breach of any material covenant or warranty of the Governmental Lender in this Funding Loan Agreement (other than a covenant or warranty or default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given written notice, as provided in Section 11.1 hereof, to the Governmental Lender and the Borrower by the Funding Lender or the Servicer, specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Funding Loan Agreement; provided that, so long as the Governmental Lender has commenced to cure such failure to observe or perform within the thirty (30) day cure period and the subject matter of the default is not capable of cure within said thirty (30) day period and the Governmental Lender is diligently pursuing such cure to the Funding Lender's satisfaction, with the Funding Lender's Written Direction or Written Consent, then the Governmental Lender shall have an additional period of time as reasonably necessary (not to exceed 30 days unless extended in writing by the Funding Lender) within which to cure such default; or

(d) A default in the payment of any Additional Borrower Payments; or

(e) Any other “Default” or “Event of Default” under any of the other Funding Loan Documents (taking into account any applicable grace periods therein).

Notwithstanding anything to the contrary contained herein or in the Funding Loan Documents, (i) the respective limited partner interests of the RBC Tax Credit Equity, LLC the respective limited partner interests of RBC Tax Credit Equity, LLC, an Illinois limited liability company, and RBC Tax Credit Manager II, Inc., a Delaware corporation (collectively, the “Limited Partners”) in the Borrower may be transferred to or among affiliates thereof controlled through one or more intermediaries of RBC Tax Credit Equity, LLC, so long as the Limited Partners provide the Funding Lender, upon its reasonable request, with the legal name, address, percentage of ownership and any such other information required to comply with its “know your customer rules,” of all direct partners or members of the entity to which the Limited Partners’ interest were transferred, and any other transfers shall be in strict compliance with Section 8.6 of the Borrower Loan Agreement, and (ii) the Limited Partners shall be entitled to (but not obligated to) cure any default or Event of Default hereunder, and any such sure by Limited Partners shall be deemed a cure by Borrower and be accepted or rejected on the same basis as if tendered by Borrower.

Section 9.2. Acceleration of Maturity; Rescission and Annulment.

(a) Subject to the provisions of Section 9.9 hereof, upon the occurrence of an Event of Default under Section 9.1 hereof, then and in every such case, the Funding Lender may declare the principal of the Funding Loan and the Governmental Lender Note and the interest accrued to be immediately due and payable, by notice to the Governmental Lender and the Borrower and upon any such declaration, all principal of and Prepayment Premium, if any, and interest on the Funding Loan and the Governmental Lender Note shall become immediately due and payable.

(b) At any time after a declaration of acceleration has been made pursuant to subsection (a) of this Section, the Funding Lender may by Written Notice to the Governmental Lender, rescind and annul such declaration and its consequences if:

(i) There has been deposited with the Funding Lender a sum sufficient to pay (1) all overdue installments of interest on the Funding Loan, (2) the principal of and Prepayment Premium on the Funding Loan that has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Funding Loan, (3) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Funding Loan, and (4) all sums paid or advanced by the Funding Lender and the reasonable compensation, expenses, disbursements and advances of the Funding Lender, its agents and counsel (but only to the extent not duplicative with subclauses (1) and (3) above); and

(ii) All Events of Default, other than the non-payment of the principal of the Funding Loan which have become due solely by such declaration of acceleration, have been cured or have been waived in writing as provided in Section 9.9 hereof.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Notwithstanding the occurrence and continuation of an Event of Default, it is understood that the Funding Lender shall pursue no remedies against the Borrower or the Project if no Borrower

Loan Agreement Default has occurred and is continuing. An Event of Default hereunder shall not in and of itself constitute a Borrower Loan Agreement Default.

Section 9.3. Additional Remedies; Funding Lender Enforcement.

(a) Upon the occurrence of an Event of Default, the Funding Lender may, subject to the provisions of this Section 9.3 and Section 9.9 hereof, proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity. No remedy conferred by this Funding Loan Agreement upon or remedy reserved to the Funding Lender is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Funding Lender hereunder or now or hereafter existing at law or in equity or by statute.

(b) Upon the occurrence and continuation of any Event of Default, the Funding Lender may proceed forthwith to protect and enforce its rights and this Funding Loan Agreement by such suits, actions or proceedings as the Funding Lender, in its sole discretion, shall deem expedient. Funding Lender shall have upon the occurrence and continuation of any Event of Default all rights, powers, and remedies with respect to the Security as are available under the Uniform Commercial Code applicable thereto or as are available under any other applicable law at the time in effect and, without limiting the generality of the foregoing, the Funding Lender may proceed at law or in equity or otherwise, to the extent permitted by applicable law:

(i) to take possession of the Security or any part thereof, with or without legal process, and to hold, service, administer and enforce any rights thereunder or thereto, and otherwise exercise all rights of ownership thereof, including (but not limited to) the sale of all or part of the Security;

(ii) to become mortgagee of record for the Borrower Loan including, without limitation, completing the assignment of the Mortgage by the Governmental Lender to the Funding Lender as anticipated by this Funding Loan Agreement, and recording the same in the real estate records of the jurisdiction in which the Project is located, without further act or consent of the Governmental Lender, and to service and administer the same for its own account;

(iii) to service and administer the Funding Loan as agent and on behalf of the Governmental Lender or otherwise, and, if applicable, to take such actions necessary to enforce the Borrower Loan Documents and the Funding Loan Documents on its own behalf, and to take such alternative courses of action, as it may deem appropriate; or

(iv) to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents, or the Borrower Loan Documents, or in and of the execution of any power herein granted, or for foreclosure hereunder, or for enforcement of any other appropriate legal or equitable remedy or otherwise as the Funding Lender may elect.

(c) Whether or not an Event of Default has occurred, the Funding Lender, in its sole discretion, shall have the sole right to waive or forbear any term, condition, covenant or agreement of the Mortgage, the Borrower Loan Agreement, the Borrower Note or any other Borrower Loan Documents or Funding Loan Documents applicable to the Borrower, or any breach thereof, other than a covenant that would adversely impact the tax exempt status of the interest on the Governmental Lender Note, and provided that the Governmental Lender may enforce specific performance with respect to the Unassigned Rights.

(d) If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after the Borrower and the Funding Lender receive Written Notice stating that a default under the Regulatory Agreement has occurred and specifying the nature of the default, the Funding Lender shall have the right to seek specific performance of the provisions of the Regulatory Agreement or to exercise its other rights or remedies thereunder; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(e) If the Borrower defaults in the performance of its obligations under the Borrower Loan Agreement to make rebate payments, to comply with any applicable continuing disclosure requirements, or to make payments owed pursuant to Sections 2.5, 7.14 or 7.15 of the Borrower Loan Agreement for fees, expenses or indemnification, the Funding Lender shall have the right to exercise all its rights and remedies thereunder (subject to the last paragraph of Section 9.14 hereof) ; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

Section 9.4. Application of Money Collected. Any money collected by the Funding Lender pursuant to this Article and any other sums then held by the Funding Lender as part of the Security, shall be applied in the following order, at the date or dates fixed by the Funding Lender:

(a) First: To the payment of any and all amounts due under the Funding Loan Documents other than with respect to principal and interest accrued on the Funding Loan, including, without limitation, any amounts due to the Governmental Lender, the Funding Lender, the Servicer and the Rebate Analyst;

(b) Second: To the payment of the whole amount of the Funding Loan, as evidenced by the Governmental Lender Note, then due and unpaid in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Funding Loan) on overdue principal of, and Prepayment Premium and overdue installments of interest on the Funding Loan; provided, however, that partial interests in any portion of the Funding Loan shall be paid in such order of priority as may be prescribed by Written Direction of the Funding Lender in its sole and absolute discretion; and

(c) Third: The payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

If and to the extent this Section 9.4 conflicts with the provisions of the Servicing Agreement (if any), the provisions of the Servicing Agreement (if any) shall control. Capitalized terms used in this Section 9.4 but not otherwise defined in this Funding Loan Agreement shall have the meanings given such terms in the Servicing Agreement.

Section 9.5. Remedies Vested in Funding Lender. All rights of action and claims under this Funding Loan Agreement or the Governmental Lender Note may be prosecuted and enforced by the Funding Lender without the possession of the Governmental Lender Note or the production thereof in any proceeding relating thereto.

Section 9.6. Restoration of Positions. If Funding Lender shall have instituted any proceeding to enforce any right or remedy under this Funding Loan Agreement and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Funding Lender,

then and in every such case the Governmental Lender and the Funding Lender shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Governmental Lender and the Funding Lender shall continue as though no such proceeding had been instituted.

Section 9.7. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Funding Lender is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.8. Delay or Omission Not Waiver. No delay or omission of the Funding Lender to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Funding Lender may be exercised from time to time, and as often as may be deemed expedient, by Funding Lender. No waiver of any default or Event of Default pursuant to Section 9.9 hereof shall extend to or shall affect any subsequent default or Event of Default hereunder or shall impair any rights or remedies consequent thereon.

Section 9.9. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Funding Lender, the Funding Lender may, subject to Section 9.6 hereof, by Written Notice to the Governmental Lender and the Borrower, waive any past default hereunder or under the Borrower Loan Agreement and its consequences except for default in obligations due the Governmental Lender pursuant to or under the Unassigned Rights. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Funding Loan Agreement and the Borrower Loan Agreement; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 9.10. Remedies Under Borrower Loan Agreement or Borrower Note. As set forth in this Section 9.10 but subject to Section 9.9 hereof, the Funding Lender shall have the right, in its own name or on behalf of the Governmental Lender, to declare any default and exercise any remedies under the Borrower Loan Agreement or the Borrower Note, whether or not the Governmental Lender Note has been accelerated or declared due and payable by reason of an Event of Default.

Section 9.11. Waiver of Appraisal and Other Laws.

(a) To the extent permitted by law, the Governmental Lender will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Governmental Lender, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Security marshaled upon any enforcement hereof.

(b) If any law now in effect prohibiting the waiver referred to in Section 9.11(a) shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section 9.11.

Section 9.12. Suits to Protect the Security. The Funding Lender shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Security by

any acts that may be unlawful or in violation of this Funding Loan Agreement and to protect its interests in the Security and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any Governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Funding Lender.

Section 9.13. Remedies Subject to Applicable Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Funding Loan Agreement invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Section 9.14. Assumption of Obligations. In the event that the Funding Lender or its assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under the Borrower Loan Agreement, the Borrower Note, the Regulatory Agreement and any other Funding Loan Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default hereunder, rights and remedies may be pursued pursuant to the terms of the Funding Loan Documents.

ARTICLE X

AMENDMENT; AMENDMENT OF BORROWER LOAN AGREEMENT AND OTHER DOCUMENTS

Section 10.1. Amendment of Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Lender Note may be amended or waived only by an instrument signed by the Funding Lender and the Governmental Lender, provided, however, no such amendment which materially affects the rights, duties, obligations or other interests of the Borrower shall be made without the consent of the Borrower, and, provided further, that if the Borrower is in default under any Funding Loan Document, no Borrower consent shall be required unless such amendment has a material adverse effect on the rights, duties, obligations or other interests of the Borrower. All of the terms of this Funding Loan Agreement shall be binding upon the successors and assigns of and all persons claiming under or through the Governmental Lender or any such successor or assign, and shall inure to the benefit of and be enforceable by the successors and assigns of the Funding Lender.

Section 10.2. Amendments Require Funding Lender Consent. The Governmental Lender shall not consent to any amendment, change or modification of the Borrower Loan Agreement or any other Borrower Loan Document or Funding Loan Document without the prior Written Consent of the Funding Lender.

Section 10.3. Consents and Opinions. No amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall become effective unless and until (i) the

Funding Lender shall have approved the same in writing in its sole discretion and (ii) the Funding Lender shall have received, at the expense of the Borrower, a Tax Counsel No Adverse Effect Opinion and an Opinion of Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Governmental Lender: The Housing Authority of the City of Stamford
c/o Charter Oak Communities
22 Clinton Avenue
Stamford, Connecticut 06901
Attention: Chief Executive Officer
Facsimile: (203) 977-8522

and with a copy to: Robinson & Cole LLP
280 Trumbull Street
Hartford, Connecticut 06103-3597
Attention: David M. Panico, Esq.
Facsimile: (860) 275-8299

If to Borrower: LHT4 Limited Partnership
c/o Rippowam Corporation
40 Clinton Avenue
Stamford, Connecticut 06901
Attention: Jonathan Gottlieb
Facsimile: (203) 977-8522

and with a copy to: Hoopes Morganthaler Rausch & Scaramozza LLC
CityPlace II - 2nd Floor
185 Asylum Street
Hartford, Connecticut 06103
Attention: Melanie S. Rausch, Esq.
Facsimile: (860) 275-6819

and a copy to: RBC Tax Credit Equity, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel
Facsimile: (_____) _____

with a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110
Attention: Nathan A. Bernard, Esq.
Facsimile: (866) 908-2713

If to the Funding Lender:

JPMorgan Chase Bank, N.A.
Community Development Banking
237 Park Avenue, 6th Floor
New York, New York 10017
Attention: Sharmi Sobhan
Facsimile: (866) 580-3274

with a copy to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Aviva Yakren, Esq.
Facsimile: (212) 839-5599

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by email, facsimile or other telecommunication device or electronic means, provided any such transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 11.2. Term of Funding Loan Agreement. This Funding Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Funding Loan has been retired or the payment thereof has been provided for; except that on and after payment in full of the Governmental Lender Note, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

Section 11.3. Successors and Assigns. All covenants and agreements in this Funding Loan Agreement by the Governmental Lender shall bind its successors and assigns, whether so expressed or not.

Section 11.4. Legal Holidays. In any case in which the date of payment of any amount due hereunder or the date on which any other act is to be performed pursuant to this Funding Loan Agreement shall be a day that is not a Business Day, then payment of such amount or such act need not be made on such date but may be made on the next succeeding Business Day, and such later payment or such act shall have the same force and effect as if made on the date of payment or the date fixed for prepayment or the date fixed for such act, and no additional interest shall accrue for the period after such date and prior to the date of payment.

Section 11.5. Governing Law. This Funding Loan Agreement shall be governed by and shall be enforceable in accordance with the laws of the State.

Section 11.6. Severability. If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Note or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Funding Lender only to the full extent permitted by law.

Section 11.7. Execution in Several Counterparts. This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 11.8. Nonrecourse Obligation of the Borrower. Except as otherwise provided in the Borrower Loan Agreement, any obligations of the Borrower under this Funding Loan Agreement are without recourse to the Borrower or to the Borrower's partners or members, as the case may be, and the provisions of Section 12.1 of the Borrower Loan Agreement are by this reference incorporated herein.

Section 11.9. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS FUNDING LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 11.10. Electronic Transactions. The transactions described in this Funding Loan Agreement may be conducted and related documents and may be stored by electronic means. Copies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 11.11. Third Party Beneficiaries. The Funding Loan Documents are solely for the benefit of the Governmental Lender, the Funding Lender, the Servicer and the Borrower and, with respect to Sections 10.1.3 and 10.1.4 of the Borrower Loan Agreement, the Underwriter Group, and nothing contained in any Funding Loan Document shall be deemed to confer upon anyone other than the Governmental Lender, the Funding Lender, the Servicer, and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 11.12. Reference Date. This Funding Loan Agreement is dated for reference purposes only as of the first day of December, 2021.

IN WITNESS WHEREOF, the Funding Lender and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

JPMORGAN CHASE BANK, N.A.

By: _____

Name: Sharmi Sobhan

Title: Executive Director

**THE HOUSING AUTHORITY OF THE
CITY OF STAMFORD**

By: _____

Name: Susan Rutz

Title: Chairwoman

EXHIBIT A

FORM OF GOVERNMENTAL LENDER NOTE

THIS NOTE MAY BE OWNED ONLY BY A PERMITTED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS FUNDING LOAN AGREEMENT (A) REPRESENTS THAT IT IS A PERMITTED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE TO ANOTHER PERMITTED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

**THE HOUSING AUTHORITY OF THE CITY OF STAMFORD
MULTIFAMILY HOUSING REVENUE NOTE
(LAWNHILL TERRACE 4 PROJECT), SERIES 2021
DATED DECEMBER [___], 2021**

[\$10,500,000]

FOR VALUE RECEIVED, the undersigned THE HOUSING AUTHORITY OF THE CITY OF STAMFORD (“Obligor”) promises to pay to the order of JPMORGAN CHASE BANK, N.A. (“Holder”) the maximum principal sum of TEN MILLION FIVE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$[10,500,000].00), on December [___], 2054, or such extended date as determined pursuant to Article V of the Borrower Loan Agreement, or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Funding Loan Agreement, dated as of December 1, 2021 (the “Funding Loan Agreement”), between Obligor and Holder, an amount in immediately available funds sufficient to pay the principal amount of and Prepayment Premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on this Governmental Lender Note in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of the Funding Loan so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Funding Loan Agreement or in the Borrower Loan Agreement, as applicable.

Obligor shall pay to the Holder on or before each date on which interest on this Governmental Lender Note is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on this Governmental Lender Note then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement.

This Governmental Lender Note is a pass-through obligation relating to a loan (the “Borrower Loan”) made by Obligor from proceeds of the Funding Loan to LHT4 Limited Partnership, a limited partnership organized and existing under the laws of the State of Connecticut, as borrower (the “Borrower”), under that certain Borrower Loan Agreement, dated as of December 1, 2021 (as the same may be modified, amended or supplemented from time to time, the “Borrower Loan Agreement”), between the Obligor and the Borrower. The portion of the Borrower Loan related to this Governmental Lender Note is evidenced by the Bond Note (as defined in the Borrower Loan Agreement). Reference is

made to the Borrower Loan Agreement and to the Bond Note for complete payment and prepayment terms of the Borrower Note, payments on which are passed-through under this Governmental Lender Note.

This Governmental Lender Note is a limited obligation of the Obligor, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned under the Funding Loan Agreement. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on this Governmental Lender Note or the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein and in the Funding Loan Agreement, and none of the Funding Loan or this Governmental Lender Note or any of the Governmental Lender's agreements or obligations with respect to the Funding Loan or this Governmental Lender Note shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

This Governmental Lender Note is subject to the express condition that at no time shall interest be payable on this Governmental Lender Note or the Funding Loan at a rate in excess of the Maximum Rate provided in the Funding Loan Agreement; and Obligor shall not be obligated or required to pay, nor shall the Holder be permitted to charge or collect, interest at a rate in excess of such Maximum Rate. If by the terms of this Governmental Lender Note or of the Funding Loan Agreement, Obligor is required to pay interest at a rate in excess of such Maximum Rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such Maximum Rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Lender Note is subject to all of the terms, conditions, and provisions of the Funding Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Funding Loan Documents, then in any such event and subject to the requirements set forth in the Funding Loan Agreement, the Holder may declare the entire unpaid principal balance of this Governmental Lender Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Governmental Lender Note.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Governmental Lender Note or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Holder under this Governmental Lender Note and the Funding Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Holder at law or in equity or under any other agreement.

Obligor shall pay all costs of collection on demand by the Holder, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Funding Loan Agreement.

This Governmental Lender Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Holder of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Holder of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Holder to any action of Obligor which is subject to consent or approval of the Holder hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

OBLIGOR:

**THE HOUSING AUTHORITY OF THE
CITY OF STAMFORD**

By: _____

Name: Susan Rutz

Title: Chairwoman

EXHIBIT B

FORM OF REQUIRED TRANSFEREE REPRESENTATIONS

[____] [___], 20[___]

The undersigned, as holder (the “Holder”) of a loan (the “Funding Loan”) in the maximum amount of \$8,800,000 from JPMORGAN CHASE BANK, N.A. (“Funding Lender”) to THE HOUSING AUTHORITY OF THE CITY OF STAMFORD (“Governmental Lender”) pursuant to a Funding Loan Agreement, dated as of December 1, 2021 (the “Funding Loan Agreement”), between the Funding Lender and the Governmental Lender (the “Funding Loan”) evidenced by the Governmental Lender’s Multifamily Housing Revenue Note (Lawnhill Terrace 4 Project), Series 2021, dated December [___], 2021 (the “Governmental Lender Note”), or an interest therein, hereby represents that:

1. The Holder has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Funding Loan. We are able to bear the economic risks of such investment.

2. The Holder acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Holder has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Project, the use of proceeds of the Funding Loan and the Funding Loan and the security therefor so that, as a reasonable investor, the Holder has been able to make its decision to extend/purchase] the Funding Loan [or an interest therein]. The Holder acknowledges that it has not relied upon the Governmental Lender for any information in connection with the Holder’s purchase of the Funding Loan [or an interest therein].

3. The Holder is an Approved Transferee.

4. The Holder acknowledges that it is purchasing [an interest in] the Funding Loan for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan; provided, however, that the Holder may sell or transfer the Governmental Lender Note and the Funding Loan as provided in Section 2.4 of the Funding Loan Agreement.

5. In the event any placement memorandum to be provided to any subsequent buyer or beneficial owner of such portion of the Funding Loan will disclose information with respect to the Governmental Lender other than its name, location and type of political subdivision and general information with respect to the Funding Loan and Borrower Loan and related documents, the Holder will provide the Governmental Lender with a draft of such placement memorandum and the Governmental Lender shall have the right to approve any description of the Governmental Lender therein (which approval shall not be unreasonably withheld).

6. The Holder understands that the Funding Loan is a limited obligation of the Governmental Lender; payable solely from funds and moneys pledged and assigned under the Funding Loan Agreement, and that the liabilities and obligations of the Governmental Lender with respect to the Funding Loan are expressly limited as set forth in the Funding Loan Agreement and related documents.

7. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement.

[_____], as Holder

By: _____

Name:

Its:

BORROWER LOAN AGREEMENT

between

HOUSING AUTHORITY OF THE CITY OF STAMFORD,
as Governmental Lender

and

LHT4 LIMITED PARTNERSHIP,
as Borrower

Dated as of [____], 2021

Relating to:

[\$8,800,000]

Funding Loan originated by JPMORGAN CHASE BANK, N.A., as Funding Lender

The interest of the Governmental Lender in this Borrower Loan Agreement (except for certain rights described herein) has been pledged and assigned to JPMorgan Chase Bank, N.A., as funding lender (the "Funding Lender"), under that certain Funding Loan Agreement, dated as of [____], 2021, by and between Housing Authority of the City of Stamford (the "Governmental Lender") and the Funding Lender, under which the Funding Lender is originating a loan to the Governmental Lender the proceeds of which are to be used to fund the Borrower Loan made under this Borrower Loan Agreement.

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BORROWER LOAN AGREEMENT

THIS BORROWER LOAN AGREEMENT (this “Borrower Loan Agreement”) is entered into as of the [__]st day of [____], 2021, between HOUSING AUTHORITY OF THE CITY OF STAMFORD, a public body corporate and politic, organized and existing under the laws of the State of Connecticut (together with its successors and assigns, the “Governmental Lender”) and LHT4 LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of the State of Connecticut (together with its successors and assigns, the “Borrower”).

WITNESSETH:

WHEREAS, the Governmental Lender has been duly created and organized pursuant to and in accordance with the provisions of the Act (as defined herein); and

WHEREAS, the Act authorizes the Governmental Lender (a) to make loans to any person to provide financing for residential rental developments located within the City of Stamford, Connecticut (the “Sponsoring Political Subdivision”), and intended to be occupied in part or in whole by persons of low and moderate income; (b) to borrow funds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with any such borrowing by the Governmental Lender; and (c) to pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the repayment of any such borrowing by the Governmental Lender; and

WHEREAS, the Borrower has applied to the Governmental Lender for a loan (the “Borrower Loan”), for the rehabilitation, construction, improvement, equipping and furnishing of the Project (as hereafter defined); and

WHEREAS, the Borrower’s repayment obligations under this Borrower Loan Agreement are evidenced by the Borrower Note, as defined herein; and

WHEREAS, the Borrower has requested the Governmental Lender to enter into that certain Funding Loan Agreement, dated as of [____], 2021 (the “Funding Loan Agreement”), between the Governmental Lender and JPMorgan Chase Bank, N.A. (the “Funding Lender”), under which the Funding Lender will make a loan (the “Funding Loan”) to the Governmental Lender, the proceeds of which will be loaned under this Borrower Loan Agreement to the Borrower to finance the rehabilitation, construction, improvement, equipping and furnishing of the Project; and

WHEREAS, the Borrower Loan is secured by, among other things, that certain Open-End Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (as amended, restated and/or supplemented from time to time, the “Mortgage”), dated as of [____], 2021, and assigned to the Funding Lender to secure the Funding Loan, encumbering the Project, and will be advanced to Borrower pursuant to this Borrower Loan Agreement; and

WHEREAS, the Borrower Loan is evidenced by that certain Bond Note, dated the date hereof, in the amount of \$[8,800,000]; and

WHEREAS, Borrower shall obtain a second priority loan from the Governmental Lender in the amount of \$[3,440,000] (the “Seller Note Loan”), said Seller Note Loan to be evidenced by a note and

secured by a leasehold mortgage encumbering the Project (collectively, the “Seller Note Loan Documents”); and

WHEREAS, Borrower shall obtain a third priority loan from [_____] in the amount of \$[2,151,869] (the “City Fee in Lieu Loan”), said City Fee in Lieu Loan to be evidenced and/or secured by various documents encumbering the Project (collectively, the “City Fee in Lieu Loan Documents”); and

WHEREAS, Borrower shall obtain a fourth priority loan from [_____] in the amount of \$[1,624,957] (the “State Capital Funds Loan”), said State Capital Funds Loan to be evidenced by a note and secured by a leasehold mortgage encumbering the Project (collectively, the “State Capital Funds Loan Documents”)

WHEREAS, Borrower shall obtain a fifth priority loan from [_____] in the amount of \$[710,764] (the “Project Reserves Loan”), said Project Reserves Loan to be evidenced and/or secured by various documents encumbering the Demised Premises (collectively, the “Project Reserves Loan Documents”); and

WHEREAS, Borrower shall obtain a sixth priority loan from [_____] in the amount of \$[422,623] (the “Sponsor Loan” and together with the Seller Loan, City Fee in Lieu Loan, State Capital Funds Loan and Project Reserves Loan, collectively, the “Subsidy Loan”), said Sponsor Loan to be evidenced and/or secured by various documents encumbering the Demised Premises (collectively, the “Sponsor Documents” and together with the Seller Loan Documents, City Fee in Lieu Loan Documents, State Capital Funds Loan Documents and Project Reserves Loan Documents, collectively, the “Subsidy Loan Documents”); and

WHEREAS, the Borrower, Governmental Lender and the Funding Lender have agreed that the Funding Lender shall exercise the control, dominion and authority over the administration of the Borrower Loan; and

WHEREAS, the term “Beneficiary Parties” as used herein shall mean the Governmental Lender, the Funding Lender, any servicer and their respective successors and assigns. The term “Beneficiary Parties” shall also include any lawful owner, holder or pledgee of the Borrower Note.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 **Specific Definitions.** For all purposes of this Borrower Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Mortgage or, if not defined in the Mortgage, in the Funding Loan Agreement.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GAAP.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(d) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(e) Unless otherwise specified, (i) all references to sections and schedules are to those in this Borrower Loan Agreement, (ii) the words “hereof,” “herein” and “hereunder” and words of similar import refer to this Borrower Loan Agreement as a whole and not to any particular provision, (iii) all definitions are equally applicable to the singular and plural forms of the terms defined and (iv) the word “including” means “including but not limited to.”

Section 1.2 Definitions. The following terms, when used in this Borrower Loan Agreement (including when used in the above recitals), shall have the following meanings:

“Act” shall mean Chapter 128 of the Connecticut General Statutes, as amended.

“Act of Bankruptcy” shall mean the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, in the case of an involuntary proceeding, such proceeding is not dismissed within ninety (90) days after the commencement thereof.

“ADA” shall have the meaning set forth in Section 6.1.38 hereof.

“Additional Borrower Payments” shall mean the payments payable pursuant to Section 2.5 (Additional Borrower Payments), Section 2.6 (Overdue Payments; Payments in Default), Section 3.3 (Borrower Loan in Balance), Section 3.10 (Construction Consultant), 4.7 (Third Party Consultants) and Section 7.14 (Expenses) and Sections 9 and 10 of the Borrower Note (Voluntary and Involuntary Prepayments).

“Affiliate” shall mean, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with the Person specified.

“Agreement of Environmental Indemnification” shall mean the Indemnity, dated as of the date hereof, executed by the Borrower and the Guarantor for the benefit of the Funding Lender and any lawful holder, owner or pledgee of the Borrower Note from time to time.

[“AHAP Contract” shall mean that certain PBV Agreement to Enter Into Housing Assistance Payments Contract, dated on or about the date hereof, between the Borrower, as owner, and the Governmental Lender, as the public housing authority, wherein the parties agree to enter into a Housing Assistance Payments Contract (“HAP Contract”) for the provision of eight (8) project based vouchers to benefit residential units of the Project.]

“Appraisal” shall mean an appraisal of the Project and Improvements, which appraisal shall (i) be performed by a qualified appraiser licensed in the State selected by Funding Lender, (ii) be satisfactory to Funding Lender (including, without limitation, as adjusted pursuant to any internal review thereof by Funding Lender) in all respects, and (iii) demonstrate that the amount of the Loan will not exceed 80% of the Appraised Value of the Project (on an as-completed and stabilized basis giving effect to the contributory value of the Tax Credits) during the Construction Term and Permanent Term.

“Architect” shall mean Quisenberry Arcari Architects, LLC or any licensed architect, space planner or design professional that Borrower may engage from time to time, with the approval of Funding Lender, to design any portion of the Improvements, including the preparation of the Plans and Specifications.

“Architect’s Agreement” shall mean that certain Standard Form of Agreement, between Borrower and Architect dated [_____], or any other agreement that Borrower and any Architect from time to time may execute pursuant to which Borrower engages such Architect to design any portion of the Improvements, including the preparation of the Plans and Specifications, as approved by Funding Lender.

“Authorized Borrower Representative” shall mean a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Governmental Lender, the Funding Lender and the Servicer and containing the specimen signature of such person and signed on behalf of the Borrower by its Borrower Controlling Entity which certificate may designate one or more alternates.

“Bankruptcy Code” shall mean the United State Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation.

“Bankruptcy Event” shall mean any one or more of the following: (i) (A) the commencement of a voluntary case under the Bankruptcy Code by the Borrower; (B) the acknowledgment in writing by the Borrower that it is unable to pay its debts generally as they mature; (C) the making of a general assignment for the benefit of creditors by the Borrower; (D) the commencement of an involuntary case under the Bankruptcy Code against the Borrower; or (E) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over the Borrower or any substantial part of the assets of the Borrower provided that any proceeding or case under (D) or (E) above is not dismissed within 90 days after filing; (ii) any Guarantor or any Affiliate of a Guarantor files an involuntary petition against Borrower under the Bankruptcy Code; or (iii) both (A) an involuntary petition under the Bankruptcy Code is filed against Borrower or Borrower directly or indirectly becomes the subject of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction, or in equity, and (B) Borrower or any Affiliate of Borrower has acted in concert or conspired with such creditors of Borrower (other than Funding Lender) to cause the filing thereof with the intent to interfere with enforcement rights of Funding Lender after the occurrence of an Event of Default.

“Bankruptcy Proceeding” shall have the meaning set forth in Section 6.1.8 hereof.

“Beneficiary Parties” shall mean, collectively, the Funding Lender and the Governmental Lender and their respective successors and assigns. The term “Beneficiary Parties” shall also include any lawful owner, holder or pledgee of the Borrower Note.

“Borrower” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Borrower Controlling Entity” shall mean, if the Borrower is a partnership, any general partner, or managing partner of the Borrower, or if the Borrower is a limited liability company, the manager or managing member of the Borrower, or if the Borrower is a not for profit corporation, the shareholders thereof.

“Borrower Deferred Equity” shall mean the Equity Contributions to be made by the Equity Investor to Borrower pursuant to the Partnership Agreement other than Borrower Initial Equity, substantially in accordance with the following schedule:

Amount	Date
\$[_____]	Payment of the Second Capital Contribution (as such term is defined in the Partnership Agreement)
\$[_____]	Payment of the Third Capital Contribution (as such term is defined in the Partnership Agreement)
\$[_____]	Payment of the Fourth Capital Contribution (as such term is defined in the Partnership Agreement)
\$[_____]	Total

“Borrower Initial Equity” shall mean an initial installment of the Equity Contributions made to Borrower by the Equity Investor in an amount of at least \$[_____] to be made on or prior to the Closing Date.

“Borrower Loan” shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to this Borrower Loan Agreement, in the maximum principal amount of the Borrower Loan Amount, as evidenced by the Borrower Note.

“Borrower Loan Agreement” shall mean this Borrower Loan Agreement.

“Borrower Loan Amount” shall mean (i) during the Construction Term, \$[8,800,000], the original maximum principal amount of the Borrower Note, and (ii) during the Permanent Term, \$[3,150,000], each as may be reduced pursuant to the terms hereof.

“Borrower Loan Documents” shall mean this Borrower Loan Agreement, the Borrower Note, the Mortgage, the Agreement of Environmental Indemnification, the Guaranty, the Replacement Reserve Agreement, and all other documents or agreements evidencing or relating to the Borrower Loan.

“Borrower Loan Payment Date” shall mean (i) the date upon which regularly scheduled Borrower Loan Payments are due pursuant to the Borrower Note, or (ii) any other date on which the Borrower Note is prepaid or paid, whether at the scheduled maturity or upon the acceleration of the maturity thereof.

“Borrower Loan Payments” shall mean the monthly loan payments payable pursuant to the Borrower Note.

“Borrower Loan Proceeds” shall mean proceeds of the Borrower Loan, to be disbursed in accordance with this Borrower Loan Agreement.

“Borrower Note” shall mean that certain Borrower Note, between Governmental Lender and Borrower, dated the date hereof in the principal amount of \$13,000,000.

“Borrower Payment Obligations” shall mean all payment obligations of the Borrower under the Borrower Loan Documents, including, but not limited to, the Borrower Loan Payments and the Additional Borrower Payments.

“Budget” shall mean project budget and any and all amendments, additions, deletions, supplements and restatements thereof which are hereinafter specifically approved in writing by Funding Lender, setting forth all of the costs for acquisition of the Mortgaged Property and construction, furnishing and equipping of the Improvements and all related soft costs, as approved by Funding Lender.

“Business Day” shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

“Calendar Month” shall mean each of the twelve (12) calendar months of the year.

[“Cash Collateral Agreement” shall mean that certain Cash Collateral Agreement, dated as of the Closing Date, between the Funding Lender, as “Bank” thereunder, and the Borrower, as “Pledgor” thereunder, pursuant to which the Borrower agrees to deposit the proceeds of [_____] Loan, as stated therein, for repayment of a portion of the Borrower Loan on or prior to the Conversion Date.]

“CC&R’s” shall mean any covenants, conditions, restrictions, maintenance agreements or reciprocal easement agreements affecting the Project or the Mortgaged Property.

“City” shall mean the City of Stamford, Connecticut.

“Closing Date” means [_____] , 2021.

“Closing Origination Fee” shall mean an origination fee in the amount of \$[_____] , which amount is equal to seventy five basis points percent (0.75%) of the amount of the Funding Loan, due and payable by the Borrower to Funding Lender contemporaneously with the Borrower’s execution of this Borrower Loan Agreement, which Closing Origination Fee is non-refundable and shall be deemed fully earned by Funding Lender upon the execution of this Borrower Loan Agreement by Funding Lender and Borrower.

“Code” shall mean the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Collateral” shall mean all collateral described in (i) this Borrower Loan Agreement (including, without limitation, all property in which the Funding Lender is granted a security interest pursuant to any provision of this Borrower Loan Agreement), (ii) the Mortgage, or (iii) any other Security Document, which Collateral shall include the Project, all of which collateral is pledged and assigned to Funding Lender under the Funding Loan Agreement to secure the Funding Loan.

“Completion” shall have the meaning set forth in Section 7.25.

“Completion Date” shall mean [_____].

“Computation Date” shall have the meaning ascribed thereto in Section 1.148-3(e) of the Regulations.

“Condemnation” shall mean any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Project, whether direct or indirect.

“Condition to Conversion” or “Conditions to Conversion” shall have the meaning given to such term in Article 5 hereof.

“Construction Consultant” shall mean a third-party architect or engineer selected and retained by Funding Lender, at the cost and expense of Borrower, to monitor the progress of construction and/or rehabilitation of the Project and to inspect the Improvements to confirm compliance with this Borrower Loan Agreement.

“Construction Contract” shall mean any agreement that Borrower and any Contractor from time to time may execute pursuant to which Borrower engages the Contractor to construct any portion of the Improvements, as approved by Funding Lender.

“Construction Management Agreement” shall mean that certain Standard Form of Agreement Between Owner and Construction Manager, between Borrower and Construction Manager, dated [_____].

“Construction Manager” shall mean Viking Construction, Inc.

“Construction Schedule” shall mean a schedule of construction or rehabilitation progress with the anticipated commencement and completion dates of each phase of construction or rehabilitation, as the case may be, and the anticipated date and amounts of each Disbursement for the same, as approved by Funding Lender, as assignee of the Governmental Lender.

“Construction Term” shall mean the period beginning on the Closing Date and ending on the earlier of (a) if the Conditions to Conversion have been satisfied, the date designated as the Conversion Date and the Funding Lender’s Notice of Conversion, and (b) if the Conditions to Conversion have not been satisfied, the Construction Term Maturity Date.

“Construction Term Maturity Date” shall mean [_____] [NOTE: 24 MONTHS], as the same may be extended pursuant to Article V of this Agreement.

“Contingency Draw Down Agreement” shall mean that certain Contingency Draw Down Agreement, dated as of the Closing Date, between the Funding Lender and the Borrower, pursuant to which, following certain legislative, judicial or other developments, the Borrower agrees to fully draw any remaining proceeds of the Governmental Lender Note to fund the Funding Loan and to fund advances on the Governmental Lender Note, for amongst other reasons, to allow interest on an installment or installments of the Governmental Lender Note to remain excluded from gross income for federal income tax purposes.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement of even date herewith, between the Borrower and the Funding Lender, pursuant to which the Borrower agrees to provide certain information with respect to the Project, the Borrower and the Funding Loan subsequent to the Closing Date, as amended, supplemented or restated from time to time.

“Contractor” shall mean Construction Manager or any licensed general contractor or subcontractor that Borrower may directly engage from time to time, with the approval of Funding Lender, to construct and/or rehabilitate any portion of the Improvements.

“Contractual Obligation” shall mean, for any Person, any debt or equity security issued by that Person, and any indenture, mortgage, deed of trust, contract, undertaking, instrument or agreement (written or oral) to which such Person is a party or by which it is bound, or to which it or any of its assets is subject.

“Control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” shall have meanings correlative thereto.

“Conversion” shall mean the conversion of the Borrower Loan to the Permanent Loan pursuant to the terms of the Borrower Loan Documents.

“Conversion Certificate” as used in this Agreement shall mean the Borrower’s Conversion Certificate in the form of Exhibit D hereto certifying as to the satisfaction of the Conditions to Conversion.

“Conversion Date” shall mean the date on which the Borrower Loan converts to the Permanent Loan as specified by the Funding Lender in its Notice of Conversion which shall be no later the Construction Term Maturity Date, unless otherwise extended pursuant to Section V hereof.

“Cost Breakdown” shall mean the schedule of costs for the Project approved by Lender, attached hereto as Exhibit C, which includes amongst other line items a 10% Hard Cost contingency in connection with the construction of the Improvements which factors in profit, overhead and general conditions, as the same may be amended from time to time with Lender’s consent.

“Cost of Improvements” shall mean the costs for the Improvements, as set forth on the Cost Breakdown.

“Cost Saving” shall mean, with respect to any line item, the amount of the undisbursed or saved portion thereof resulting from the fact that (i) the work attributable to such line item has been completed without the expenditure of all amounts in the Cost Breakdown allocated to such line item or (ii) Borrower shall have demonstrated to Funding Lender’s satisfaction that such line item will be completed without the expenditure of all amounts allocated to such line items in the Cost Breakdown.

“Costs of Funding” shall mean the Governmental Lender’s Closing Fee and the actual fees, costs, expenses and other charges incurred in connection with the funding of the Borrower Loan and the Funding Loan, the negotiation and preparation of this Borrower Loan Agreement and each of the other Borrower Loan Documents and Funding Loan Documents and shall include, but shall not be limited to, the following: (i) actual counsel fees (including but not limited to Tax Counsel, counsel to the Governmental Lender, Borrower’s counsel, and Funding Lender’s counsel); (ii) actual financial advisor fees incurred in connection with the closing of the Borrower Loan and the Funding Loan; (iii) actual certifying and authenticating agent fees and expenses related to funding of the Funding Loan; (iv) any recording fees; (v) any additional fees charged by the Governmental Lender; and (vi) costs incurred in connection with the required public notices generally and costs of the public hearing.

“Costs of Funding Deposit” shall mean the amount required to be deposited by the Borrower with the Title Company (or a separate escrow company, if applicable) to pay Costs of Funding in connection with the closing of the Borrower Loan and the Funding Loan on the Closing Date.

“Date of Disbursement” shall mean the date of a Disbursement.

“Day” or “Days” shall mean calendar days unless expressly stated to be Business Days.

“Debt” shall mean, as to any Person, any of such Person’s liabilities, including all indebtedness (whether recourse and nonrecourse, short term and long term, direct and contingent), all committed and unfunded liabilities, and all unfunded liabilities, that would appear upon a balance sheet of such Person prepared in accordance with GAAP.

“Debt Service Coverage Ratio” shall mean the ratio of Net Operating Income to the aggregate debt service for the unpaid principal balance of the Borrower Loan.

“Default Rate” shall have the meaning given to that term in the Borrower Note.

“Determination of Taxability” shall mean (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum concerning the Governmental Lender Note issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (iii) a determination by any court of competent jurisdiction, (iv) the enactment of legislation or (v) receipt by the Funding Lender, at the request of the Governmental Lender, the Borrower or the Funding Lender, of an opinion of Tax Counsel, in each case to the effect that the interest on the Governmental Lender Note is includable in gross income for federal income tax purposes of any holder or any former holder of all or a portion of the Governmental Lender Note, other than a holder who is a “substantial user” of the Project or a “related person” (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (i) or (iii) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower), the Funding Lender (at the sole expense of the Borrower) or the Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, (b) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (c) one year from the date of initial determination.

“Developer” shall mean Rippowam Corporation, a Connecticut corporation.

“Developer Fee” shall mean the fees and/or compensation payable to Developer pursuant to the Development Agreement dated on or about the date hereof, between Borrower and Developer.

“Development Agreement” shall mean that certain Development Agreement between Developer and Borrower, dated as of [____], 2021.

“Development Costs” shall mean all costs incurred by Borrower for the acquisition, construction, rehabilitation, development and/or equipping of the Mortgaged Property in connection with the Project, as more particularly described in the Cost Breakdown.

“Disbursement” means a disbursement of Borrower Loan Proceeds and Other Borrower Moneys pursuant to this Borrower Loan Agreement.

“Disbursement Agreement” means an agreement by and between the Funding Lender and the Borrower, which shall be in form and substance acceptable to Funding Lender and Funding Lender’s counsel and provide, inter alia, the Borrower shall deposit the Equity Contributions with the Funding Lender as and when said contributions are made by the Equity Investor in accordance with, and pursuant to, the Partnership Agreement, which are to be disbursed by Funding Lender for the construction of the Improvements or repayment of the Borrower Loan, as may be applicable.

“DOH” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“DOH Loan” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“DOH Loan Documents” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Effective Gross Income” as used in this Borrower Loan Agreement shall mean gross potential rent and other income collected from the residential units less a vacancy rate. For restricted units, Funding Lender will underwrite gross potential rent at the lower of restricted, actual or market rent levels. Unrestricted units will be underwritten at the lower of market or actual rent levels. Gross potential rent will be reduced by any current, existing or future tenant rent concessions. Other income shall be recurring on a stabilized basis including income collected from garage, parking, laundry, pet and late fees as determined by the Funding Lender in its discretion. Other income shall not include interest income, commercial income, tenant deposits and other non-residential related income. Vacancy shall be the greater of 6%, or actual vacancy. In the event of a material adverse change in the submarket, the Funding Lender may use a vacancy factor as determined by a market study for conversion underwriting purposes. A collection loss estimate will be added to the vacancy percentage after Funding Lender review of the Project’s monthly cash operating statements, monthly bank statements and current aged receivables report.

“Engineer” shall mean any licensed civil, structural, mechanical, electrical, soils, environmental or other engineer that Borrower may engage from time to time, with the approval of Funding Lender, to perform any engineering services with respect to any portion of the Improvements.

“Engineer’s Contract” shall mean any agreement that Borrower and any Engineer from time to time may execute pursuant to which Borrower engages such Engineer to perform any engineering services with respect to any portion of the Improvements, as approved by Funding Lender.

“Equity Contributions” shall mean the equity to be contributed by the Equity Investor to Borrower, in accordance with and subject to the terms of the Partnership Agreement.

“Equity Investor” shall mean RBC Tax Credit Equity, LLC, an Illinois limited liability company, and its permitted successors and assigns.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated hereunder.

“ERISA Affiliate” shall mean all members of a controlled group of corporations and all trades and business (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under any or all of Section 414(b), (c), (m) or (o) of the Code.

“Event of Default” shall mean any Event of Default set forth in Section 9.1 of this Borrower Loan Agreement. An Event of Default shall “exist” if a Potential Default shall have occurred and be continuing beyond any applicable cure period.

“Excess Revenues” shall have the meaning ascribed thereto in Section 2.2(e) hereof.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Fair Market Value” shall mean the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities

market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is an interest in any commingled investment fund in which the Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

“Force Majeure” shall mean acts of God, flooding, strikes, lockouts or other labor trouble, materially adverse weather conditions, fire or other casualty, governmental preemption in connection with a national emergency, any rule, order or regulation of any government agency or any department or subdivision thereof or inability to secure materials or labor because of any such emergency, rule, order, regulation, war, civil disturbance or other emergency, cause or event beyond the reasonable control of the Borrower; provided, however, that the lack of Borrower’s own funds shall not be deemed a cause beyond the reasonable control of the Borrower.

“Fund” shall have the meaning set forth in Section 8.6(b)(ii) hereof.

“Funding Lender” shall mean JPMorgan Chase Bank, N.A., a national banking association, in its capacity as lender under the Funding Loan.

“Funding Loan” means the Funding Loan in the original maximum principal amount of \$[8,800,000] made by Funding Lender to Governmental Lender under the Funding Loan Agreement, the proceeds of which are used by the Governmental Lender to make the Borrower Loan.

“Funding Loan Agreement” means the Funding Loan Agreement, dated as of [_____], 2021, between the Governmental Lender and the Funding Lender, as it may from time to time be supplemented, modified or amended by one or more amendments or other instruments supplemental thereto entered into pursuant to the applicable provisions thereof.

“Funding Loan Documents” shall have the meaning given to that term in the Funding Loan Agreement.

“Funding Requisition” shall, with respect to a proposed Disbursement, mean a Funding Requisition in substantially the form attached hereto as Exhibit B.

“GAAP” shall mean generally accepted accounting principles as in effect on the date of the application thereof and consistently applied throughout the periods covered by the applicable financial statements.

“General Partner” shall mean, collectively, (i) LHT4 Housing Corporation, a Connecticut corporation, and/or (ii) any other Person that the partners of the Borrower, with the prior written approval of the Funding Lender (or as otherwise permitted with the Funding Lender’s approval pursuant to the Borrower Loan Documents if so required), selected to be a general partner of the Borrower.

“Governmental Authority” shall mean the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory

body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Governmental Lender” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Governmental Lender Note” shall mean that certain Governmental Lender Note dated as of the date hereof in the original maximum principal amount of the Funding Loan, made by the Governmental Lender and payable to Funding Lender, as it may be amended, supplemented or replaced from time to time.

“Governmental Lender’s Closing Fee” shall mean one percent (1.00%) of the Funding Loan. The Governmental Lender’s Closing Fee is payable to the Governmental Lender on the Closing Date pursuant to Section 2.3(b)(iii) hereof.

“Gross Proceeds” shall mean, without duplication, the aggregate of:

(a) the net amount (after payment of all expenses of originating the Funding Loan) of Funding Loan proceeds received by the Governmental Lender as a result of the origination of the Funding Loan;

(b) all amounts received by the Governmental Lender as a result of the investment of the Funding Loan proceeds;

(c) any amounts held in any fund or account to the extent that the Governmental Lender reasonably expects to use the amounts in such fund to pay any portion of the Funding Loan; and

(d) any securities or obligations pledged by the Governmental Lender or by the Borrower as security for the payment of any portion of the Funding Loan.

“Ground Lease” shall mean a certain Ground Lease Agreement, dated [____], 2021, entered into between the Borrower and the Housing Authority of the City of Stamford.

“Guarantor” shall mean, collectively, (i) the General Partner, (ii) Rippowam Corporation, a Connecticut nonstock corporation, (iii) or any other person or entity which may hereafter become a guarantor of any of the Borrower’s obligations under the Borrower Loan.

“Guaranty” shall mean, collectively, (i) the Completion Guaranty, dated as of the date hereof, by Guarantor for the benefit of the Beneficiary Parties, (ii) the Completion Guaranty, dated as of the date hereof, by Contractor for the benefit of the Beneficiary Parties, and (iii) the Limited Payment Guaranty, dated as of the date hereof, by Guarantor for the benefit of the Beneficiary Parties.

“HACS City Loan” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“HACS City Loan Documents” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Hard Costs” shall mean the onsite cost of labor and materials directly related to the construction and/or rehabilitation of the Project as set forth in the Cost Breakdown.

“Improvements” shall mean the thirty-four (34) income restricted housing units contained in five (5) buildings, comprising a multifamily residential project to be rehabilitated and improved upon the Land

and known as Lawnhill Terrace Phase IV, and all other buildings, structures, fixtures, wiring, systems, equipment and other improvements and personal property to be acquired, constructed, furnished and/or installed at or on the Land in accordance with the Cost Breakdown and the Plans and Specifications.

“Indemnified Party” shall have the meaning set forth in Section 7.15 hereof.

“Installment Computation Date” shall mean any Computation Date other than the first Computation Date or the final Computation Date.

“Interest Rate” shall mean the rate of interest accruing on the Borrower Loan pursuant to the Borrower Note.

“Land” means the real property described on Schedule A to the Mortgage.

“Late Charge” shall mean the amount due and payable as a late charge on overdue payments under the Borrower Note, as provided in Section 7 of the Borrower Note and Section 2.5 hereof.

“Legal Action” shall mean an action, suit, investigation, inquiry, proceeding or arbitration at law or in equity or before or by any foreign or domestic court, arbitrator or other Governmental Authority.

“Legal Requirements” shall mean any and all judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to the Borrower, or the Premises or the Improvements, including without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

“Liabilities” shall have the meaning set forth in Section 7.15 hereof.

“Licenses” shall have the meaning set forth in Section 6.1.22 hereof.

“Lien” shall mean with respect to any asset (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or any lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities, except for the Purchase Option and Right of First Refusal (as defined in the Partnership Agreement) so long as it is subordinate to the Borrower Loan, Borrower Loan Documents, Funding Loan and Funding Loan Documents.

“Major Contract” shall mean any Construction Contract for labor or materials, or both, in connection with the Improvements which is for an aggregate contract price equal to or greater than \$500,000, whether pursuant to one contract or agreement or multiple contracts or agreements, after taking into account all change orders.

“Management Agreement” shall mean the Management and Affirmative Fair Marketing Agreement between the Borrower and the Manager, pursuant to which the Manager is to manage the Project, as same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Manager” shall mean the Governmental Lender.

“Material Adverse Change” shall mean any act, circumstance or event (including and not by way of limitation, any announcement of action) which (a) causes an Event of Default, (b) otherwise could reasonably be expected to be material and adverse to the financial condition or operations of the Project the Borrower, General Partner, any Guarantor (as may be applicable), or (c) in any manner could reasonably be expected to materially and adversely affect the validity and enforceability of any Borrower Loan Document.

“Mortgage” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Mortgaged Property” shall have the meaning given to that term in the Mortgage.

“Net Operating Income” shall mean: (i) the Effective Gross Income, less (ii) the Operating Expenses.

“Nonpurpose Investment” shall mean any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds of the Funding Loan and which is not acquired to carry out the governmental purpose of the Funding Loan.

“Notice of Conversion” shall mean the notice from the Funding Lender to the Borrower confirming that the Conditions to Conversion have been satisfied (or if applicable waived), the amount of any Pre-Conversion Loan Equalization Payment required and the Conversion Date which date will not be more than three (3) days after the date of the Notice of Conversion.

“Occupancy Requirement” shall mean not less than ninety percent (90%) of the units at the Project have been physically and economically occupied for a minimum of ninety (90) consecutive days. Physically occupied is measured as the number of units occupied compared to the total units available. Economically occupied includes the combined effects on Effective Gross Income of physical vacancy of residential units and credit loss associated with rental concessions, bad debt, and discounted units.

“Operating Expenses” shall be mean all recurring line item expenses based on the higher of the following: originally underwritten, historical annualized expenses at the Project, Borrower budget, third party appraisal and market expense comparables. However, real estate taxes will be adjusted for fully assessed actual taxes based on 100% completion. If abatement applies, taxes will be adjusted to any payment in lieu of taxes that are assessed against the Project. Management fee shall be defined as the greater of the management fee of the existing contract in place or market.

“Operating Reserve” shall mean the greater of (a) an amount equal to (i) six (6) months Operating Expenses plus (ii) six (6) months debt service with respect to the Borrower Loan during the Permanent Term and all other indebtedness requiring mandatory payments of principal and/or interest during the Permanent Term or (b) the amount required by the Partnership Agreement to be reserved by the Borrower to fund operating deficits.

“Origination Fee” shall mean, collectively, the Closing Origination Fee and the Permanent Loan Origination Fee.

“Other Borrower Moneys” shall mean monies of Borrower other than Borrower Loan Proceeds, proceeds from the Subsidy Loan and includes, but is not limited to, Net Operating Income, the Borrower’s Equity Contributions and any other funds contributed by or loaned to the Borrower for application to the Costs of the Improvements or other costs associated with the Project.

“Other Charges” shall mean all maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Project, now or hereafter levied or assessed or imposed against the Project or any part thereof.

“Partnership Agreement” shall mean that certain Amended and Restated Agreement of Limited Partnership of the Borrower dated as of [_____], as amended by that certain First Amendment to Amended and Restated Partnership Agreement of Borrower, dated as of [_____], 2021, as the same may be further amended, restated or modified in accordance with its terms.

“Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

“Patriot Act Offense” shall have the meaning set forth in Section 6.1.48 hereof.

“Payment and Performance Bonds” shall mean dual-obligee payment and performance bonds relating to the Construction Manager for the entire Project, issued by a surety company or companies authorized to do business in the State of Connecticut with a rating of “A-/VIII” or better and otherwise acceptable to Lender, and in form and content reasonably acceptable to Lender, in each case in an amount not less than the full contract price; together with a dual obligee and modification rider naming Lender and in the form and substance acceptable to Lender which shall be attached thereto.

“Permanent Loan” shall mean the portion of the Borrower Loan in the principal amount of up to \$[3,150,000] evidenced by the Bond Note and effective upon the satisfaction of the Conversion Conditions.

“Permanent Loan Origination Fee” shall mean an origination fee in an amount equal to seventy-five basis points percent (0.75%) of the amount of the Permanent Loan, due and payable by the Borrower to Funding Lender contemporaneously with Conversion, which Permanent Loan Origination Fee is non-refundable and shall be deemed fully earned by Funding Lender upon Conversion.

“Permanent Term” shall mean the term commencing on the Conversion Date and ending on the Permanent Term Maturity Date.

“Permanent Term Maturity Date” shall mean [_____]. [NOTE: 18 YEARS FROM CONVERSION]

“Permitted Encumbrances” shall mean (a) Liens and security interest granted pursuant to the Borrower Loan Documents, (b) subordinate liens under the Subsidy Loan Documents (b) any easements, restrictions or other matters of record listed in the Schedule of Exceptions to coverage to the loan policy issued by the Title Company insuring the Mortgage on the Closing Date, provided there is no encroachment by any Improvements thereon, (c) customary easements entered into by the Borrower in connection with the development and operation of the Project which the Funding Lender has determined would have no material adverse effect on the use or Appraised Value of the Project, (d) documents required to be recorded by applicable law which have no material adverse effect on the use or value of the Project, and (e) apartment leases executed in accordance with the terms of this Borrower Loan Agreement.

“Permitted Lease” shall mean a lease and occupancy agreement pursuant to the form approved by Funding Lender, to a residential tenant in compliance with the Legal Requirements, providing for an initial term of not less than six (6) months nor more than two (2) years.

“Permitted transfer” shall have the meaning set forth in Section 8.6(b) hereof.

“Person” shall mean any individual, for profit or not for profit corporation, partnership, joint venture, association, limited liability company, limited liability partnership, trust, unincorporated association, or government or any agency or political subdivision thereof.

“Plan” shall mean (i) an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions and (ii) which is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

“Plans and Specifications” shall mean the plans and specifications for the construction and/or rehabilitation, as the case may be, of the Project approved by Funding Lender.

“Potential Default” shall mean the occurrence of an event which, under this Borrower Loan Agreement or any other Borrower Loan Document, would, but for the giving of notice of passage of time, be an Event of Default.

“Pre-Conversion Loan Equalization Payment” shall mean a payment, other than the repayment of \$[_____] of Borrower Loan on or before the Conversion Date, of that portion of the Borrower Loan required to be made by the Borrower on or before the Conversion Date in the amount which the outstanding principal balance of the Borrower Loan exceeds the amount determined by the Funding Lender required to meet (a) Total Debt Service Coverage Ratio of 1.15 to 1.0 on or before the Conversion Date, (b) Debt Service Coverage Ratio of 1.20 to 1.0 on or before the Conversion Date (c) a Total Debt Service Coverage Ratio of 1.05 to 1.0 under the Funding Lender’s pro forma forecast, on or before the Conversion Date, based on annual revenue growth of two percent (2%) and annual expense growth of three percent (3%) during the Permanent Term and (d) a loan-to-value ratio of not more than eighty percent (80%) of the stabilized rent restricted value of the Project as set forth in an Appraisal.

“Prepayment Premium” shall mean any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any prepayment premium as set forth in the Borrower Note).

“Project” shall mean the Mortgaged Property (as defined in the Mortgage) and Improvements thereon owned by the Borrower and encumbered by the Mortgage, together with all rights pertaining to such real property and Improvements, as more particularly described in the Granting Clauses of the Mortgage and referred to therein as the “Mortgaged Property.”

“Project Agreements and Licenses” shall mean any and all Construction Contracts, Engineer’s Contracts and Management Agreements, and all other rights, licenses, permits, franchises, authorizations, approvals and agreements relating to use, occupancy, operation or leasing of the Project or the Mortgaged Property.

“Project Reserves Loan” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Project Reserves Loan Documents” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Provided Information” shall have the meaning set forth in Section 10.1.1(a) hereof.

“Qualified Project Costs” shall mean costs paid with respect to the Project that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be a so chargeable

with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with Section 1.103-8(a)(1) of the Regulations, provided, however, that only such portion of the interest accrued during rehabilitation or construction of the Project (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the acquisition and construction or rehabilitation of the Project; and provided further that interest accruing after the date of completion of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being constructed or rehabilitated by an Affiliate (whether as general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out of pocket costs incurred by such affiliate in constructing or rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by such affiliate, and (C) any overhead expenses incurred by such affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an “affiliated group” (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to [_____], being the date on which the Governmental Lender first declared its “official intent” to reimburse costs paid with respect to the Project (within the meaning of Section 1.150-2 of the Regulations) or the date of issue of the Funding Loan, and (iv) if the costs of the acquisition and construction or rehabilitation of the Project were paid prior to [_____] and are to be reimbursed with proceeds of the Funding Loan, such costs were (A) “preliminary expenditures” (within the meaning of Section 1.150-2(f)(2) of the Regulations) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition and construction or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Funding Loan (as defined in Section 1.148-1 of the Regulations), or (B) were capital expenditures with respect to the Project that are reimbursed no later than 18 months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three years after the expenditures is paid); provided, however, that (w) Costs of Funding shall not be deemed to be Qualified Project Costs; (x) fees, charges or profits (including, without limitation, developer fees) payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) shall not be deemed to be Qualified Project Costs; (y) letter of credit fees and municipal bond insurance premiums which represent a transfer of credit risk shall be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Funding Loan; and (z) letter of credit fees and municipal bond insurance premiums which do not represent a transfer of credit risk (including, without limitation, letter of credit fees payable to a “related person” to the Borrower) shall not constitute Qualified Project Costs.

“Rating Agencies” mean, collectively, Fitch, Inc., Moody’s Investors Service, Inc., or its successor, and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business division, or its successors.

“Rebate Amount” shall mean, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Funding Loan.

“Rebate Analyst” shall mean the rebate analyst selected by the Borrower prior to the Closing Date and acceptable to the Governmental Lender and the Funding Lender.

“Rebate Fund” shall mean the Rebate Fund created pursuant to Section 7.35 hereof.

“Regulatory Agreement” shall mean that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the date hereof, by and between the Governmental Lender and the Borrower, as hereafter amended or modified.

“Related Documents” shall mean, collectively, any agreement or other document (other than the Borrower Loan Documents) granting a security interest (including each agreement that is the subject of any Borrower Loan Document), the Partnership Agreement, the Ground Lease, [the AHAP Contract,] the Cash Collateral Agreement, the Contingency Draw Down Agreement, the Tax Abatement (once effective) and any other agreement, instrument or other document (not constituting a Borrower Loan Document) relating to or executed in connection with the transactions contemplated by this Borrower Loan Agreement.

“Replacement Reserve Agreement” shall mean any Replacement Reserve Agreement between the Borrower and the Funding Lender, as the same may be amended, restated or supplemented from time to time.

“Replacement Reserve Fund Requirement” means Borrower’s funding obligations from time to time under the Replacement Reserve Agreement.

“Retainage” shall mean an amount equal to 5% of the aggregate Hard Costs actually incurred by the Borrower for work in place in completing the Improvements, as verified from time to time by the Construction Consultant pursuant to the provisions of this Borrower Loan Agreement. The Retainage shall in no event be less than the amount actually held back by the Borrower from the Contractor and all subcontractors and materialmen engaged in the construction of the Improvements. The Retainage shall not be released until the construction of the Improvements has been completed in accordance with the Plans and Specifications accepted by the Funding Lender and the Construction Consultant and the provisions of this Borrower Loan Agreement.

“Review Fee” shall mean Three Thousand and No/100 Dollars (\$3,000.00).

“Secondary Market Disclosure Document” shall have the meaning set forth in Section 10.1.2 hereof.

“Secondary Market Transaction” shall have the meaning set forth in Section 10.1.1 hereof.

“Securities” shall have the meaning set forth in Section 10.1.1 hereof.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Security Documents” shall mean the Mortgage, the Replacement Reserve Agreement, this Borrower Loan Agreement, the Agreement of Environmental Indemnification, the other documents executed in connection with the Borrower Loan (all as assigned to the Funding Lender), and such other mortgages, documents and agreements that Funding Lender may reasonably request.

“Seller Note Loan” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Seller Note Loan Documents” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Soft Costs” shall mean the fees and costs that are not directly related to the onsite construction of the Project, as set forth in the Cost Breakdown, including, without limitation (to the extent set forth on the

Cost Breakdown), the Origination Fee, interest payable with respect to the Borrower Loan, architectural costs, engineering costs, permit fees, inspection fees, marketing costs, furniture and fixture costs, taxes, escrow fees, title and other insurance premiums, recording fees, wiring fees, legal fees, accounting fees, and all other closing costs.

“Sponsoring Political Subdivision” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Subsidy Loan” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Subsidy Loan Documents” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“State” shall mean the State in which the Project is located.

“Substantially Complete” or “Substantially Completed” means the Funding Lender has determined that construction or rehabilitation, as the case may be, of the Improvements is sufficiently complete such that the Improvements can be occupied by tenants as a multifamily residential rental project.

“Tax Abatement” shall mean that certain Tax Abatement Agreement entered into between the Borrower and the City, dated as of [_____].

“Tax Counsel” shall have the meaning set forth in the Funding Loan Agreement.

“Tax Credits” shall mean low income housing credits determined under Section 42 of the Code.

“Taxes” shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against all or part of the Project.

“Three Month Period” as used in this Agreement shall mean three (3) consecutive full calendar months prior to the Conversion Date, the last of which shall not be more than two (2) months prior to the month in which the Conversion Date will occur.

“Title Company” means Connecticut Attorneys Title Insurance Company.

“Title Insurance Policy” shall mean the mortgagee title insurance policy, in form acceptable to the Funding Lender, issued with respect to the Mortgaged Property and insuring the lien of the Mortgage.

“Total Debt Service Coverage Ratio” shall mean the ratio of Net Operating Income to the aggregate debt service for the unpaid principal balance of the Borrower Loan and all other indebtedness requiring mandatory payments of principal and/or interest and which is secured by a Lien on the Project during the Permanent Term.

“Transfer” shall mean (a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), (b) the grant, creation, or attachment of a Lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law), (c) the issuance or other creation of a direct or indirect ownership interest, (d) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity, or (e) the merger, dissolution, liquidation or consolidation of a legal entity. The term “Transfer” shall not mean or include (i) the conveyance of the Project at a judicial or non-judicial foreclosure sale under the Mortgage or (ii) the Project becoming part of a bankruptcy estate by operation of law under Bankruptcy Code.

“Transfer Fee” shall mean an amount equal to one percent (1.0%) of the outstanding principal balance of the Borrower Loan at the time of determination.

“UCC” shall mean the Uniform Commercial Code as in effect in the State.

“Unassigned Rights” shall mean the Governmental Lender’s rights to reimbursement and payment of its fees, costs and expenses and the Rebate Amount under Section 2.5 hereof, its rights of access under Section 7.17 hereof, its rights to indemnification under Section 7.15 hereof, its rights to attorneys’ fees under Sections 7.11 and 7.14 hereof, its rights to receive notices, reports and other statements and its rights to consent to certain matters, as provided in the Funding Loan Agreement and this Borrower Loan Agreement.

“Unit” shall mean a residential apartment unit within the Improvements.

“Written Consent” and “Written Notice” shall mean a written consent or notice signed by an Authorized Borrower Representative or an authorized representative of the Governmental Lender or the Funding Lender, as appropriate.

ARTICLE II

GENERAL

Section 2.1 Origination of Borrower Loan. In order to provide funds for the purposes provided herein, the Governmental Lender agrees that it will, in accordance with the Act, enter into the Funding Loan Agreement and accept the Funding Loan from the Funding Lender. The proceeds of the Funding Loan shall be advanced by the Funding Lender to the Borrower in accordance with the terms of this Borrower Loan Agreement.

The Governmental Lender hereby appoints the Funding Lender as its agent with full authority and power to act on its behalf to disburse the Borrower Loan for the account of the Governmental Lender, to take certain actions and exercise certain remedies with respect to the Borrower Loan, and for the other purposes set forth in this Borrower Loan Agreement and to do all other acts necessary or incidental to the performance and execution thereof. This appointment is coupled with an interest and is irrevocable except as expressly set forth herein. Accordingly, references to the rights of the Funding Lender to take actions under this Borrower Loan Agreement shall refer to Funding Lender in its role as agent of the Governmental Lender. The Funding Lender may, at its option, designate a servicer to fulfill the rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to this Section 2.1.

Section 2.2 Security for the Funding Loan.

(a) As security for the Funding Loan, the Governmental Lender has pledged and assigned to the Funding Lender under and pursuant to the Funding Loan Agreement (a) the Borrower Note and all of its right, title and interest in and to this Borrower Loan Agreement and the Borrower Loan Documents (except for the Unassigned Rights) and all revenues and receipts therefrom and the security therefor (including the Mortgage) and (b) the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement. All revenues and assets pledged and assigned thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, except in the case of the Borrower Note, which shall be delivered to the Funding Lender. The Borrower hereby acknowledges and consents to such assignment to the Funding Lender.

(b) With respect to the Unassigned Rights, subject to the limitations set forth in this Section 2.2, the Governmental Lender may:

(i) Tax Covenants. Seek specific performance of, and enforce, the tax covenants of the Funding Loan Agreement, the Regulatory Agreement, the Tax Certificate and the Borrower Loan Agreement, injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay amounts for credit to the Rebate Fund;

(ii) Regulatory Agreement. Seek specific performance of the obligations of the Borrower or any other owner of the Project under the Regulatory Agreement and injunctive relief against acts which may be in violation of the Regulatory Agreement or otherwise in accordance with the provisions of the Regulatory Agreement; provided, however, that the Governmental Lender may enforce any right it may have under the Regulatory Agreement for monetary damages only against Excess Revenues (defined below), if any, of the Borrower, unless Funding Lender otherwise specifically consents in writing to the use of other funds; and

(iii) Reserved Rights. Take whatever action at law or in equity which appears necessary or desirable to enforce the other Unassigned Rights, provided, however, that the Governmental Lender or any person under its control may only enforce any right it may have for monetary damages against Excess Revenues, if any, of the Borrower, unless Funding Lender otherwise specifically consents in writing to the enforcement against other funds of the Borrower.

(c) In no event shall the Governmental Lender, except at the express written direction of the Funding Lender:

(i) prosecute its action to a lien on the Project; or

(ii) take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Borrower Loan or of causing the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(iii) interfere with the exercise by Funding Lender or servicer (if any) of any of their rights under the Borrower Loan Documents upon the occurrence of an event of default by the Borrower under the Borrower Loan Documents or the Funding Loan Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Borrower Loan or the Funding Loan.

(d) The Governmental Lender shall provide Written Notice to the Funding Lender and the servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Borrower Loan Documents or the Funding Loan Documents.

(e) As used in this Section 2.2, the term "Excess Revenues" means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Borrower Loan or the Funding Loan, the payment of all operating, overhead,

ownership and other expenditures of the Borrower directly or indirectly in connection with the Project (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

Section 2.3 Loan; Borrower Note; Conditions to Closing.

(a) On the Closing Date, the Governmental Lender shall make the first disbursement of the Borrower Loan, the Seller Note Loan, and Project Reserves Loan directly to the Borrower and shall thereafter fund the Borrower Loan up to the total amount of the Borrower Loan, (subject to the provisions of this Borrower Loan Agreement and the other Borrower Loan Documents). The Subsidy Loan shall be funded concurrently with both the Borrower Loan up to the total amount of the Subsidy Loan, (subject to the provisions of this Borrower Loan Agreement and the other Borrower Loan Documents), each of which shall mature and be payable at the times and in the amounts required under the terms hereof and of the Note and the Subsidy Note, respectively. The proceeds of the Borrower Loan shall be used by the Borrower to pay costs of the rehabilitation, construction, improvement, equipping and furnishing of the Project.

(b) The Borrower hereby accepts the Borrower Loan and acknowledges that the Governmental Lender shall cause the Funding Lender to fund the Borrower Loan in the manner set forth herein and in the Funding Loan Agreement. The Governmental Lender acknowledges that the Borrower Loan shall be funded by the Funding Lender for the account of the Governmental Lender. As evidence of its obligation to repay the Borrower Loan and the Subsidy Loan, simultaneously with the delivery of this Borrower Loan Agreement to the Governmental Lender, the Borrower hereby agrees to execute and deliver the Borrower Note and the Subsidy Note.

(c) Closing of the Borrower Loan on the Closing Date shall be conditioned upon satisfaction or waiver by the Governmental Lender and the Funding Lender, in their sole discretion of each of the conditions precedent to closing set forth in the Funding Loan Agreement and this Borrower Loan Agreement, including but not limited to the following:

(i) evidence of proper recordation of the Mortgage, an assignment of the Mortgage from the Governmental Lender to the Funding Lender, the Regulatory Agreement, and each of the other documents specified for recording in instructions delivered to the Title Company by counsel to the Funding Lender (or that such documents have been delivered to an authorized agent of the Title Company for recordation under binding recording instructions from Funding Lender's counsel or such other counsel as may be acceptable to the Funding Lender);

(ii) delivery into escrow with the Title Company (or separate escrow company, if applicable) of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan and any underlying real estate transfers or transactions, including the Costs of Funding Deposit and the Borrower Initial Equity, all as specified in written instructions delivered to the Title Company by counsel to the Funding Lender (or such other counsel as may be acceptable to the Funding Lender) and/or as specified in a closing memorandum of the Funding Lender;

(iii) payment of all fees payable in connection with the closing of the Borrower Loan including the Governmental Lender's Closing Fee and the Origination Fee;

(iv) the Funding Lender shall have received a true copy of the determination letter from the Connecticut Housing Finance Authority confirming the availability of Tax Credits in the amount of \$[_____] per year for not less than ten (10) years;

(v) the Funding Lender shall receive all required approvals from each applicable Governmental Authority;

(vi) the representations and warranties made in Article 6 hereof shall be true and correct as of the date hereof;

(vii) the Funding Lender shall have received the final budget;

(viii) the Funding Lender shall have received current financial statements and, upon request, federal income tax returns of the Guarantor and the Contractor for the preceding three (3) years;

(ix) the Funding Lender shall have received (1) current financial statements and, upon request, tax searches of the Mortgaged Property for the preceding three (3) years, and (2) the current financial statements and, upon request, federal income tax returns of Borrower, if applicable;

(x) Borrower shall have delivered to Funding Lender (1) the Budget (which shall include adequate "interest reserve" line items) and (2) a funding schedule, each of which shall have been approved by Funding Lender, Construction Consultant and Governmental Lender;

(xi) the Funding Lender shall have received an appraisal, in form, substance and amount, and from an appraiser, satisfactory to Funding Lender;

(xii) Advice from the Construction Consultant to the effect that (i) the Plans and Specifications have been approved by said Construction Consultant and by Governmental Authority, (ii) a Construction Contract is in effect which satisfactorily provides for the construction of the Improvements, (iii) all roads and utilities necessary for the full utilization of the Improvements for their intended purposes have been completed or the presently installed and proposed roads and utilities will be sufficient for the full utilization of the Improvements for their intended purpose, (iv) the construction of the Improvements theretofore performed, if any, was performed in accordance with the Plans and Specifications and will be finished along with all necessary roads and utilities on or before the Completion Date, and (v) the cost of constructing the Improvements shall not exceed the total development costs;

(xiii) A zoning opinion, zoning endorsement to the Lender's title policy, or other evidence satisfactory to Funding Lender, the Construction Consultant and Funding Lender's Counsel as to the compliance of the Improvements with applicable zoning ordinances and regulations;

(xiv) A copy of the Construction Management Agreement certified by Borrower to be true and complete, together with a copy of Borrower's agreement with Borrower's Architect and all Major Contracts;

(xv) the Funding Lender shall receive permit ready to issue letters, in form and substance satisfactory to Funding Lender, or the building permits required for the construction of the Improvements;

(xvi) the Funding Lender shall receive a current ALTA survey of the Mortgaged Property, in form and substance satisfactory to Funding Lender;

(xvii) the proceeds of the Funding Loan shall be committed and closed simultaneously with the Borrower Loan;

(xviii) Pursuant to this Borrower Loan Agreement, the Title Company shall have issued (A) a written continuation of title showing leasehold title to the Mortgaged Property to be vested in Borrower and no exceptions to the title of the Mortgaged Property other than those exceptions set forth in the title insurance policy or commitment issued by the Title Company as of the date of the execution and delivery of the Mortgage or which are otherwise previously and specifically approved of by Funding Lender in writing (or which have been bonded over to Bank's satisfaction), and (B) a written commitment to insure the first priority of the lien of the Mortgage, subject only to exceptions which are set forth in the title insurance policy or commitment issued by Title Company as of the date of the execution and delivery of the Mortgage or which are otherwise previously and specifically approved of by Funding Lender in writing, for an amount equal to the full amount of each such disbursement to Borrower from the Borrower Loan and all previous disbursements made from the Borrower Loan pursuant to this Agreement. If required by Funding Lender, such continuations of title shall contain affirmative insurance that covenants and restrictions, if any, reported against the Mortgaged Property have not been violated by the Improvements;

(xix) the proceeds of the Subsidy Loan shall be committed and closed simultaneously with the Borrower Loan and the Fee in Lieu Loan shall be escrowed pursuant to the terms of the Cash Collateral Agreement;

(xx) the Funding Lender shall receive a copy of the fully executed Borrower Loan Documents and Related Documents in form and substance satisfactory to Funding Lender;

(xxi) the Funding Lender shall receive a copy of the fully executed Subsidy Loan Documents in form and substance satisfactory to Funding Lender;

(xxii) the Funding Lender shall receive a copy of the fully executed Ground Lease in form and substance satisfactory to Funding Lender;

(xxiii) the Funding Lender shall receive a copy of the Regulatory Agreement in form and substance satisfactory to Funding Lender;

(xxiv) [the Funding Lender shall have received an executed copy of the AHAP Contract;]

(xxv) the Funding Lender shall have received an executed copy of the Contingency Draw Down Agreement;

(xxvi) the Funding Lender shall have received an executed copy of the Tax Abatement;

(xxvii) the Funding Lender's counsel shall have received an opinion from Borrower's counsel in form and substance reasonably satisfactory to the Funding Lender;

(xxviii) the Funding Lender's counsel shall have received a copy of the Cash Collateral Agreement, in form and substance satisfactory to the Funding Lender;

(xxix) the Funding Lender shall receive a copy of the Development Agreement in form and substance satisfactory to Funding Lender;

(xxx) the Funding Lender shall receive a copy of the Management Agreement in form and substance satisfactory to Funding Lender;

(xxxi) the Funding Lender shall receive a copy of the Partnership Agreement in form and substance satisfactory to Funding Lender; and

(xxxii) the Funding Lender shall have received such other approvals and documents as the Funding Lender may reasonably request.

Section 2.4 Borrower Loan Payments.

(a) The Borrower shall (i) make Borrower Loan Payments in accordance with the Borrower Note, and (ii) make payments with respect to the Subsidy Loan in accordance with the Subsidy Note. The Borrower shall make Borrower Loan Payments in accordance with the Borrower Note in the amounts and at the times necessary to make all payments due and payable on the Funding Loan. All payments made by the Borrower hereunder or by the Borrower under the other Borrower Loan Documents, shall be made irrespective of, and without any deduction for, any set-offs or counterclaims, but such payment shall not constitute a waiver of any such set offs or counterclaims.

(b) Payments of principal and interest on the Borrower Note shall be paid to the servicer (if any); if there is no servicer, payments of principal and interest on the Borrower Note shall be paid directly to Funding Lender.

Section 2.5 Additional Borrower Payments.

(a) The Borrower shall pay on demand the following amounts:

(i) to the servicer or the Funding Lender, the Rebate Amount then due, if any, to be deposited in the Rebate Fund as specified in Section 7.35 hereof and the Rebate Analysts' fees and any other costs incurred to calculate such Rebate Amount (to the extent such costs are not included in the Borrower Loan Payment);

(ii) to the Governmental Lender, all fees, charges, costs, advances, indemnities and expenses, including reasonable agent and counsel fees, of the Governmental Lender incurred under the Borrower Loan Documents or the Funding Loan Documents, and any taxes and assessments with respect to the Project, as and when the same become due;

(iii) (Reserved);

(iv) all Costs of Funding and fees, charges and expenses, including agent and counsel fees incurred in connection with the origination of the Borrower Loan and the Funding Loan, as and when the same become due;

(v) to the Funding Lender, all charges, costs, advances, indemnities and expenses, including reasonable agent and counsel fees, of the Funding Lender incurred by the Funding Lender at any time in connection with the Borrower Loan, the Funding Loan or the Project, including, without limitation, actual counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all actual counsel fees and expenses relating to the enforcement

of the Borrower Loan Documents, Subsidy Loan Documents or the Funding Loan Documents or any other documents relating to the Project, the Borrower Loan, the Subsidy Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit; and

(vi) any Late Charge due and payable under the terms of the Borrower Note and Section 2.6 hereof; provided, however, that all payments made pursuant to this subsection (vi) shall be made to the servicer, and if there is no servicer, such payments shall be made to the Funding Lender.

(b) The Borrower shall pay to the party entitled thereto as expressly set forth in this Borrower Loan Agreement or the other Borrower Loan Documents, the Subsidy Loan Documents or Funding Loan Documents:

(i) all expenses incurred in connection with the enforcement of any rights under this Borrower Loan Agreement or any other Borrower Loan Document, the Subsidy Loan Documents, the Regulatory Agreement, or any Funding Loan Document by the Governmental Lender, Funding Lender or the servicer (if any);

(ii) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Borrower Loan Agreement or any other Borrower Loan Document, the Subsidy Loan Documents or Funding Loan Document; and

(iii) all expenses, costs and fees relating to inspections of the Project required by the Governmental Lender, the Funding Lender, the servicer (if any) or the Construction Consultant, in accordance with the Borrower Loan Documents or the Funding Loan Documents or to reimburse such parties for such expenses, costs and fees.

Section 2.6 Overdue Payments; Payments if Default. If any Borrower Payment Obligation is not paid by or on behalf of the Borrower when due, the Borrower shall pay to the servicer (if any), a Late Charge in the amount and to the extent set forth in the Borrower Note, if any.

Section 2.7 Calculation of Interest Payments and Deposits to Real Estate Related Reserve Funds. The Borrower acknowledges as follows: (a) calculation of all interest payments shall be made by the Funding Lender; (b) deposits with respect to the Taxes and Other Charges shall be calculated by the servicer or if there is no servicer, the Funding Lender in accordance with the Mortgage; and (c) deposits with respect to any replacement reserve funds required by the Funding Lender shall be calculated by the Funding Lender or the servicer (if any) in accordance with the Replacement Reserve Agreement. In the event and to the extent that any servicer or the Funding Lender, pursuant to the terms hereof, shall determine at any time that there exists a deficiency in amounts previously owed but not paid with respect to deposits to such replacement reserve fund, such deficiency shall be immediately due and payable hereunder following Written Notice to the Borrower.

Section 2.8 Grant of Security Interest; Application of Funds. To the extent not inconsistent with the Mortgage or the Subsidy Mortgage and as security for payment of the Borrower Payment Obligations and the performance by the Borrower of all other terms, conditions and provisions of the Borrower Loan Documents and the Subsidy Loan Documents, the Borrower hereby pledges and assigns to the Funding Lender, and grants to the Funding Lender, a security interest in, all the Borrower's right, title and interest in and to all payments to or moneys held in the funds and accounts created and held by the Funding Lender or the servicer for the Project. This Borrower Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of an Event of Default hereunder, the Funding Lender and/or the servicer shall apply

or cause to be applied any sums held by the Funding Lender and/or the servicer with respect to the Project in any manner and in any order determined by Funding Lender, in Funding Lender's sole and absolute discretion.

Section 2.9 Marshalling; Payments Set Aside. The Governmental Lender and Funding Lender shall be under no obligation to marshal any assets in favor of Borrower or any other Person or against or in payment of any or all of the proceeds. To the extent that Borrower makes a payment or payments or transfers any assets to the Governmental Lender or Funding Lender, or the Governmental Lender or Funding Lender enforces its liens, and such payment or payments or transfers, or the proceeds of such enforcement or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then: (i) any and all obligations owed to the Governmental Lender or Funding Lender and any and all remedies available to the Governmental Lender or Funding Lender under the terms of the Borrower Loan Documents and the Funding Loan Documents or in law or equity against Borrower, Guarantor or General Partner and/or any of their properties shall be automatically revived and reinstated to the extent (and only to the extent) of any recovery permitted under clause (ii) below; and (ii) the Governmental Lender and Funding Lender shall be entitled to recover (and shall be entitled to file a proof of claim to obtain such recovery in any applicable bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding) either: (x) the amount of payments or the value of the transfer or (y) if the transfer has been undone and the assets returned in whole or in part, the value of the consideration paid to or received by Borrower for the initial asset transfer, plus in each case any deferred interest from the date of the disgorgement to the date of distribution to the Governmental Lender or Funding Lender in any bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding, and any costs and expenses due and owing, including, without limitation, any reasonable attorneys' fees incurred by the Governmental Lender or Funding Lender in connection with the exercise by the Governmental Lender or Funding Lender of its rights under this Section 2.9.

ARTICLE III

DISBURSEMENT MATTERS

The proceeds of the Borrower Loan shall be disbursed as follows:

Section 3.1 General Disbursement Conditions. The Cost Breakdown contains the sources and uses of funds for the payment of Development Costs. Borrower Loan Proceeds, proceeds of the Subsidy Loan, the Other Borrower Moneys and the installments of the Equity Contributions required to pay Development Costs shall be disbursed as and when provided in the Cost Breakdown for the payment of Development Costs in the manner provided for herein. Borrower shall be responsible, subject to Funding Lender's or servicer's approval, for the allocation of the funding sources for the payment of Development Costs. Funding Lender will make Disbursements as described in the Cost Breakdown upon satisfaction of the conditions set forth in this Borrower Loan Agreement; provided, that, Funding Lender shall not be obligated to fund any Disbursement unless Borrower has provided evidence acceptable to Funding Lender that Borrower Loan Proceeds, proceeds of the Subsidy Loan and Other Borrower Moneys are available in amounts sufficient to complete the Project. In connection with any Funding Requisition, Borrower shall provide invoices and other evidence reasonably satisfactory to Funding Lender or servicer to demonstrate that such costs have been incurred and such work has been completed and installed at the Project.

Borrower shall not submit more than one (1) Funding Requisition per calendar month and Funding Lender shall not be required to approve more than one (1) Disbursement per calendar month, except as otherwise permitted by Funding Lender in its sole discretion. Funding Lender shall not be required to make any requested Disbursement sooner than ten (10) Business Days after the receipt by Funding Lender of the

applicable Funding Requisition and all other items required pursuant to this Borrower Loan Agreement to accompany such Funding Requisition. Funding Lender shall use commercially reasonable efforts to disburse in accordance with (or disapprove) each Funding Requisition within ten (10) Business Days following receipt thereof. Without limiting the generality of the foregoing, Funding Lender's obligation to make any periodic Disbursement is subject to Borrower's delivery to Funding Lender of the documentation described in Section 3.5, together with such other documents that Funding Lender may reasonably require, in form and content satisfactory to Funding Lender, duly executed (and acknowledged where necessary) by the appropriate parties thereto and all additional conditions, if any, applicable to the making of such Disbursement and set forth in this Article III shall be satisfied on the date of such Disbursement. The Borrower hereby acknowledges that the individual parties named on the Disbursement and Rate Management Agreement executed as of the date hereof, as same may be added from time to time, are the individuals authorized to execute and deliver the Funding Requisitions on behalf of Borrower.

Borrower acknowledges and agrees that, in the event the conditions to Disbursement set forth in this Article III are not timely satisfied and Funding Lender, in its sole discretion, elects not to waive any of such conditions in order to make a Disbursement, Borrower (i) agrees that Funding Lender shall not have any liability to Borrower resulting therefrom, and (ii) waives any claims against Funding Lender for any failure to permit or make a Disbursement, notwithstanding the fact that Borrower has previously incurred costs in connection with the construction of Improvements on the Mortgaged Property.

Section 3.2 Cost Breakdown.

(a) Funding Lender or servicer shall approve and make Disbursements based on the Cost Breakdown.

(b) The Cost Breakdown restricts Disbursements to line items in cost categories. Borrower agrees to use Disbursements solely in conformity with the Cost Breakdown. If the Improvements cannot be completed in strict conformity with the most recently approved Cost Breakdown, Borrower shall immediately submit to Funding Lender for its approval a revised cost breakdown in substantially the same format as the Cost Breakdown approved by Funding Lender on or prior to the Closing Date. The revised Cost Breakdown shall identify Borrower's requested changes in any line items and shall be accompanied by Borrower's written statement of reasons for the changes. Funding Lender shall approve or disapprove any such request within fifteen (15) days after its submittal to Funding Lender, and approval shall not be unreasonably withheld, conditioned or delayed. Borrower shall execute such documentation and provide such endorsements to the Title Insurance Policy as Funding Lender may reasonably require, if any, in connection with the revised Cost Breakdown. If further changes are required, Borrower shall seek Funding Lender's approval, following the procedures described above. Funding Lender need not approve and Funding Lender need not make further Disbursements unless and until Funding Lender approves the revised Cost Breakdown. If Funding Lender determines that additional Other Borrower Moneys are necessary to complete the Project, and Funding Lender may, if it approves the revised cost breakdown, condition further Disbursements on Borrower's provision of additional Other Borrower Moneys in an amount equal to any increased costs reflected in such revised Cost Breakdown (after giving effect to any Cost Savings), as approved.

(c) So long as no Event of Default has occurred and is continuing (provided, however, that Lender shall not have any obligation to accept a cure of any Event of Default), and all other terms and conditions for a Disbursement have been satisfied, Borrower may reallocate the funds allocated in the Cost Breakdown from the "Contingency" line items to another line item in an amount proportionate to the stage of completion of the construction or rehabilitation, as the case may be, of the Improvements. By way of example, if the Improvements are twenty percent (20%) complete, as determined by Lender and the Construction Consultant, Borrower shall be entitled to reallocate not more than twenty percent (20%) of

the original “Contingency” line item amount (determined on a cumulative basis taking into account any previous draws from the “Contingency” line items).

(d) Except to the extent permitted under Section 3.2(c), Borrower may not reallocate Cost Savings and/or use contingency funds set forth in the “Contingency” line item of the Cost Breakdown without the prior consent of Funding Lender, which consent shall not be unreasonably withheld, conditioned or delayed. If Borrower shall demonstrate to Funding Lender’s satisfaction that a Cost Savings has been realized with respect to any line item, Funding Lender shall allow Borrower to reallocate the balance of the Borrower Loan or Subsidy Loan (or Other Borrower Moneys) allocable to such overbudgeted line item to the Contingency or another line item. Subject to the proportionality limitations set forth in Section 3.2(c), Borrower may reallocate the “Contingency” line item to other underbudgeted line items for costs in respect of other uncompleted line items, provided that: (i) with respect thereto, the conditions to any such Disbursement shall have otherwise been satisfied; (ii) a revised construction budget, which shall be in the form of the Cost Breakdown and which shall indicate revisions made to date to the Cost Breakdown (including the reallocation of budget amounts as a result of such Cost Savings) shall have been furnished to and approved by Funding Lender; (iii) no line item for Hard Costs shall be reallocated to pay any line item for Soft Costs until all Hard Costs shall have been paid for and completion of the construction or rehabilitation, as the case may be, of the Improvements, is achieved and Funding Lender is in receipt of all items required by Section 3.6 (Final Disbursement) of this Borrower Loan Agreement; (iv) any reallocation of Cost Breakdown will not have the effect of reducing the net sum which Borrower estimates will be available to it from Borrower Loan Proceeds or proceeds from the Subsidy Loan to pay Hard Costs of the Improvements; (v) there are sufficient remaining funds under each line item (as determined by Lender and Construction Consultant), as so reallocated, to complete construction and/or rehabilitation of such line items and the Improvements as provided for in this Borrower Loan Agreement and the other Borrower Loan Documents and the Subsidy Loan Documents; and (vi) no Event of Default then exists.

(e) Other Borrower Moneys will be contributed into the Project by the Borrower as needed in accordance with the Cost Breakdown; provided, however, that for any line item in the Cost Breakdown that is to be paid with proceeds of the Borrower Loan and Other Borrower Moneys, Other Borrower Moneys shall be advanced by the Borrower and expended prior to the advance of any proceeds of the Borrower Loan for such line item.

Section 3.3 Loan and Subsidy Loan in Balance.

(a) The Borrower Loan and the Subsidy Loan are “in balance” whenever the amount of the undisbursed Borrower Loan Proceeds and the Subsidy Loan plus any Other Borrower Moneys, as shown in the Cost Breakdown most recently approved by Funding Lender, are sufficient in the reasonable judgment of Funding Lender to pay, through completion of the Project, all of the following sums: (i) all remaining costs of construction, marketing, ownership, maintenance and leasing of the Project; (ii) all remaining interest and all other remaining sums which may accrue or be payable under the Borrower Loan Documents or the Related Documents, and (iii) to repay the \$[_____] of the Borrower Loan to achieve Conversion. Notwithstanding the foregoing, if, at any time, Funding Lender determines, in Funding Lender’s reasonable discretion, that it is unlikely that Borrower will receive all or a portion of the Other Borrower Moneys, Funding Lender can exclude such amount from its determination of whether the Borrower Loan is “in balance.” Lender may not exclude from such calculation Borrower Loan Proceeds, Subsidy Loan proceeds and Other Borrower Moneys which are otherwise properly payable and which are committed and available under the Cost Breakdown. The Borrower Loan is “out of balance” if and when Funding Lender in its reasonable judgment determines that there are insufficient funds (including all undisbursed Borrower Loan Proceeds, Subsidy Loan proceeds and any Other Borrower Moneys provided or to be provided by Borrower) to pay for all such remaining costs and sums payable under the Borrower

Loan Documents and Related Documents as required to complete construction of the Project and achieve Conversion.

(b) Borrower acknowledges that the Borrower Loan and the Subsidy Loan may become “out of balance” in numerous ways, not all of which may now be foreseen. Borrower further acknowledges that the Borrower Loan and the Subsidy Loan may become “out of balance” from a shortage of funds in any single line item or category of the Cost Breakdown, even if there are undisbursed Borrower Loan Proceeds, proceeds from the Subsidy Loan or Other Borrower Moneys in other line items or categories. Undisbursed Borrower Loan Proceeds, proceeds from the Subsidy Loan or Other Borrower Moneys in one category or line item (e.g., site work costs) may not be applied to another category or line item unless either (i) the Cost Breakdown (as most recently approved by Lender as provided in Section 3.2(c) and 3.2(d) allows such use (and only to the extent specifically allowed), (ii) the Construction Consultant has determined that the work related to the line item or category for which there are undisbursed funds has been satisfactorily completed with all applicable lien releases having been obtained, or (iii) Funding Lender consents in writing to such use in each instance, which consent shall be in the sole and absolute discretion of Funding Lender, but which consent shall be withheld if in the opinion of Funding Lender, its bond counsel or the Title Company such reallocation will be in contravention of the Lien Law, may materially adversely affect or impair in any manner whatsoever the lien priority of the Mortgage, or may cause interest on the Governmental Lender Note to be subject to inclusion in gross income for federal income tax purposes.

(c) Whenever the Borrower Loan and the Subsidy Loan becomes “out of balance,” Funding Lender may make written demand on Borrower to provide evidence satisfactory to Funding Lender of the availability of Other Borrower Moneys in an amount sufficient in Lender’s reasonable judgment to cause the Borrower Loan and the Subsidy Loan to be “in balance”. If required by Funding Lender, Borrower shall submit, for Funding Lender’s approval, a revised Cost Breakdown within ten (10) days after any such demand. Whenever the Funding Loan becomes “out of balance,” Funding Lender may also, by written demand to Borrower, direct Borrower to deposit with Funding Lender, within ten (10) days of such demand, amounts sufficient in the reasonable judgment of Funding Lender to cause the Borrower Loan and the Subsidy Loan to be “in balance.”

(d) At any time prior to Conversion, Funding Lender may evaluate the sufficiency and availability of undisbursed Borrower Loan Proceeds, proceeds from the Subsidy Loan and Other Borrower Moneys allocated for payment of future interest on the Borrower Loan, exercising its reasonable judgment in light of: (i) cost overruns or change orders (which in Funding Lender’s sole discretion, may include review of pending change orders); (ii) failure of the Mortgaged Property to lease at the rate of absorption projected by Borrower in the Pro Forma Rent Schedule; and (iii) failure of the Project to rent for at least the minimum monthly rates set forth in the Pro Forma Rent Schedule (unless equivalent reductions in expenses or other adjustments, each approved by Funding Lender, are made which result in an equivalent net operating income and required debt service coverage). Based on Funding Lender’s evaluation of these data and projections, the Borrower Loan and the Subsidy Loan may be “out of balance.” If this occurs, Funding Lender may exercise the rights under Section 3.3(c), or if Funding Lender so chooses, make written demand on Borrower to pay interest on the Borrower Note out of Other Borrower Moneys made available by Borrower until the various amounts allocated for payment of future interest under the Borrower Note are sufficient in Funding Lender’s reasonable judgment to cover any and all such interest which might become due during the remaining term of this Borrower Loan Agreement.

(e) The provisions of this Article III shall not affect in any manner Borrower’s obligation, under Section 7.27, to apply available income from the Mortgaged Property to the payment, among other things, of amounts that would otherwise be eligible to be funded from Disbursements of Loan Proceeds or proceeds from the Subsidy Loan.

Section 3.4 Initial Disbursement. Funding Lender shall not be obligated to approve or make, any Disbursement, unless and until (i) all conditions precedent to the closing contained in Article 2 shall have been satisfied, (ii) the Borrower Initial Equity proceeds have been applied towards Development Costs or deposited in an account established pursuant to the terms of the Disbursement Agreement, (iii) the Borrower shall have furnished to Funding Lender a copy of all building and all other construction permits, licenses and authorizations from all applicable Government Authorities or third parties necessary at such time for the rehabilitation of the Improvements, and the operation of, and access to, the Mortgaged Property and no material violation of any of the provisions thereof shall have occurred.

Section 3.5 Course-of-Construction Disbursements. Subject to the provisions of this Borrower Loan Agreement, Borrower shall be entitled to Disbursements, within the limitations of the Cost Breakdown, of Borrower Loan Proceeds, proceeds of the Subsidy Loan and any Other Borrower Moneys held by Funding Lender; provided, however, that, in addition to any other conditions set forth herein or in any other Borrower Loan Document or Subsidy Loan Document, in order to be entitled to each Disbursement:

(a) Funding Lender shall have received, reviewed and approved the Plans and Specifications and shall have completed its cost review in connection therewith, and such cost review is satisfactory to Funding Lender in all respects; and Funding Lender shall not be required to make any Disbursement in respect of a Soft Cost unless Borrower shall have provided Funding Lender with a copy of the relevant receipt, invoice or contract describing such Soft Cost. The Soft Costs referenced in the preceding sentence include, to the extent provided in the Cost Breakdown, amounts necessary to pay accrued interest on the Borrower Note and certain other costs and expenses of Funding Lender which are payable by Borrower or reimbursable by Borrower as set forth in this Borrower Loan Agreement. Funding Lender shall not be required to make any Disbursement in respect of materials stored onsite or offsite and not yet incorporated into the Mortgaged Property unless Borrower shall have provided Funding Lender with a copy of the relevant bill of sale, detailed receipt and/or invoice describing such materials, evidence of adequate, secure and insured transportation and storage either onsite or in a bonded warehouse or other secure offsite location, independent verification that the materials are for use in connection with the Project and the Funding Lender's security interest in the Mortgaged Property includes such materials.

(b) Borrower shall have fully complied, in all material respects, with all of Borrower's covenants hereunder; there shall have occurred and be continuing no breach of Borrower's material representations and warranties hereunder or under any other Borrower Loan Document or Subsidy Loan Document; and no Event of Default shall have occurred which has not been waived in writing by Funding Lender or cured.

(c) The Improvements for which any Disbursement is requested shall have been constructed or rehabilitated, as the case may be, substantially in accordance with the Plans and Specifications, and the construction or rehabilitation thereof and materials used therein are in substantial accordance with the Plans and Specifications and shall have been certified to be so by the Architect.

(d) Funding Lender shall have been furnished with an affidavit of Borrower or Borrower's duly authorized representative, as to whether or not Borrower or Borrower's agent has been served with any written notice, as required or permitted by law, that a lien upon the Mortgaged Property may be claimed for any amounts unpaid for materials furnished or labor performed by any person or party. A copy of each such notice, if any, shall be attached to such affidavit.

(e) Funding Lender shall have been furnished with lien waivers from Contractor showing that there are no statutory liens on record for labor or material arising out of the construction or rehabilitation

of the Improvements; provided, however, that if there are any such liens, Borrower shall have made arrangements satisfactory to Lender and the Title Company for the disposition or bonding thereof.

(f) The Improvements for which a Disbursement is requested shall not have been constructed in violation of any law, regulation, covenant, restriction or zoning ordinance affecting the Mortgaged Property or Improvements.

(g) Intentionally Omitted.

(h) Promptly upon receipt thereof, Borrower shall furnish to Funding Lender a copy of all building permits, licenses and authorizations from all Government Authorities issued and applicable to any existing or contemplated Improvements on the Mortgaged Property and no material violation of any of the provisions thereof shall have occurred.

(i) Any required Payment and Performance Bonds shall have been issued and be in full force and effect.

(j) Funding Lender shall have been furnished with a title continuation as described in Section 3.14.

(k) The Borrower Loan and the Subsidy Loan shall be “in balance” in accordance with Section 3.3 and the amount of the requested Disbursement, together with the amount of all prior Disbursements, does not exceed the actual costs with respect to line items incurred and completed to date, all as reasonably determined by the Construction Consultant.

(l) Since the date(s) of the most recent financial statements provided to Funding Lender with respect to Borrower, General Partner and/or Guarantor and the Mortgaged Property, no Material Adverse Change shall have occurred.

(m) Borrower shall have furnished to Funding Lender a Funding Requisition together with any updates to the Construction Schedule, all in form and substance acceptable to Lender.

(n) Prior to disbursement of the last ten percent (10%) of the proceeds of the Borrower Loan, the Borrower shall certify that (i) it has complied with the Tax Certificate (as defined in the Funding Loan Agreement) and (ii) it will be able to deliver the accountant’s, architect’s and the Borrower’s certifications required to be delivered at the time of final drawdown of the proceeds of the Borrower Loan pursuant to the Developer’s Tax Certification. Prior to the last advance under the Borrower Loan, the Borrower, the Borrower’s architect and the Borrower’s accountant must certify as set forth in the Developer’s Tax Certification that at least ninety-five percent (95%) of the proceeds of the Borrower Loan were used to pay qualified costs (“Qualified Costs”) as set forth in the Developer’s Tax Certification. If such a certificate cannot be delivered then the amount of the Borrower Loan shall be reduced to an amount which shall enable such certificate to be delivered. The Borrower certifies and agrees to ensure that such certifications remain true and complete for the period of time necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Debt Obligations.

(o) Borrower shall have furnished to Funding Lender a copy of the building permit for the Project prior to the disbursement of any Hard Costs.

Section 3.6 Final Disbursement. As to the final Disbursement of Borrower Loan Proceeds, Borrower shall have furnished to Funding Lender:

(a) All permanent or temporary certificates of occupancy that have been issued by the applicable Governmental Authority and all other certificates, licenses, consents and approvals required for the use and operation of all the Improvements at the Mortgaged Property;

(b) A complete punch list, approved by Borrower and Contractor (and, to the extent punch list items have not been rectified, an amount equal to 200% of the value of such items shall be withheld by Funding Lender pending receipt of evidence of satisfactory completion);

(c) A satisfactory inspection report by the Construction Consultant as to final completion, subject to the provisions of Section 3.6(b);

(d) Executed final conditional lien waivers (conditioned only upon final payment), in form and substance satisfactory to Funding Lender and the Title Company, from the Contractor;

(e) A final affidavit or certification from the Architect (which shall be in the form of AIA G704 substantial completion certificate) stating that construction or rehabilitation, as the case may be, of the Improvements, has been finally and substantially completed in accordance with the Plans and Specifications, subject to the provisions of Section 3.6(b);

(f) If applicable under the laws of the state in which the Mortgaged Property is located (the "Property Jurisdiction"), a copy of the recorded Notice of Completion with respect to the Project; and

(g) Any additional documentation reasonably required by Funding Lender in order to verify the Improvements have been completed in accordance with the terms and conditions of this Borrower Loan Agreement.

Section 3.7 Post Completion Requirements. Within thirty (30) days after the final Disbursement of the Borrower Loan Proceeds, Borrower shall submit to Lender:

(a) Final lien releases from Contractor, and a final contractor's affidavit of payment in full and final release of lien or (subject to the ability of Borrower to obtain the title endorsement referred to in subsection (b) below), if being contested in good faith, the transfer of any filed liens to bond or other surety in a manner sufficient to clear title to the Mortgaged Property.

(b) An endorsement to the Title Insurance Policy deleting any exception for pending disbursements, showing no adverse changes to title since the prior endorsement and meeting the requirements of Section 3.15.

(c) Evidence of insurance meeting the requirements of the Mortgage.

Section 3.8 Lender Making of Disbursements. With respect to Disbursements of the Borrower Loan Proceeds and proceeds of the Subsidy Loan, Funding Lender shall have no obligation to make, and Borrower shall have no right to receive, Disbursements of the Borrower Loan Proceeds and proceeds of the Subsidy Loan for any Development Cost in any Funding Requisition unless and until the entire amount of the available Other Borrower Moneys as detailed in the Cost Breakdown as being applied to that Development Cost prior to or simultaneously with the Borrower Loan Proceeds and/or proceeds of the Subsidy Loan being requested in the applicable Funding Requisition, which shall be submitted no later than ten (10) Business Days prior to the first day of each calendar month, has been expended on or invested in Development Cost in accordance with the Cost Breakdown or Funding Lender is provided satisfactory evidence that such Disbursement will simultaneously be so expended or invested. In order to obtain a Disbursement of Borrower Loan Proceeds and/or proceeds of the Subsidy Loan, Borrower must submit a

Funding Requisition to Funding Lender together with the other items required to obtain a Disbursement (as set forth in this Article III). In the event that Funding Lender shall approve any such Funding Requisition, Funding Lender shall disburse the Borrower Loan Proceeds and/or the proceeds of the Subsidy Loan so approved. Borrower acknowledges that delays may result from the actions or inactions of Funding Lender and/or Governmental Lender in arranging for any such Disbursement, and Borrower hereby releases Funding Lender, and/or Governmental Lender from any claims that Borrower may have against such parties relating to or arising out of any such delay or any such action or inaction by Funding Lender and/or Governmental Lender unless such delay is due to the gross negligence or willful misconduct of Funding Lender and/or Governmental Lender. Borrower further agrees to protect, defend, indemnify and hold harmless Funding Lender and Governmental Lender from and against any and all claims that may be asserted against Funding Lender and/or Governmental Lender relating to or arising out of any such delay or action or inaction by Funding Lender and/or Governmental Lender, unless due to the gross negligence or willful misconduct of Funding Lender and/or Governmental Lender, as the case may be; provided, however, that if the gross negligence or willful misconduct is caused by any of the aforementioned parties, the party or parties that did not cause the gross negligence or willful misconduct shall still be protected, defended, indemnified and held harmless by Borrower.

Section 3.9 Verification of Costs. At Funding Lender's request, Borrower agrees to provide to Funding Lender copies of all invoices, paid receipts, contracts, subcontracts, purchase orders, bills of sale and similar documentation related to the Project or the Improvements so that Funding Lender can verify all costs set forth in any Funding Requisition.

Section 3.10 Construction Consultant. The parties contemplate that Funding Lender will engage the Construction Consultant, which shall be at Borrower's sole cost and expense (based on actual costs), who shall review as agent for Funding Lender all construction and rehabilitation activities undertaken in regard to the Project. A certificate or indication from the Construction Consultant that construction or rehabilitation, as the case may be, complies with the Plans and Specifications shall be a further condition precedent to Funding Lender's approval of each Funding Requisition.

Section 3.11 Method of Disbursements. Disbursements shall be made directly to Borrower or to Borrower's account; provided, however, that if an Event of Default has occurred and is continuing (provided, however, that Funding Lender shall not be obligated to accept a cure of an Event of Default), Funding Lender may make such Disbursements, at Funding Lender's option, (i) directly to any Contractor; (ii) jointly to Borrower and any Contractor; (iii) directly to Persons supplying labor, materials and services in connection with the Improvements; or (iv) jointly to Borrower and said Persons. Borrower hereby expressly acknowledges that Funding Lender may approve a Funding Requisition submitted by Borrower but may disburse Other Borrower Moneys or make the requested Disbursement in any of the methods described in the preceding sentence, under the circumstances set forth above, whether or not such method is the method selected by Borrower in its Funding Requisition, and Borrower hereby consents to any such action by Funding Lender.

Section 3.12 Disbursements without Requisitions. Funding Lender may, whether or not the conditions of this Article III are then satisfied, from time to time make Disbursements on behalf of Borrower to pay interest on the payment due dates in accordance with the terms of the Borrower Note and the Subsidy Note, to pay fees of Governmental Lender, servicer (if any) and Funding Lender in respect of the Loan and the Subsidy Loan, or to pay any other amounts due under the Borrower Loan Documents and/or the Subsidy Loan Documents that have not been paid by Borrower within the time periods provided in this Borrower Loan Agreement. In addition, after the occurrence and during the continuance an Event of Default (provided, however, that in no event shall Lender have any obligation to accept a cure of an Event of Default), Funding Lender may, but is not obligated to, from time to time make Disbursements on behalf of Borrower: (i) to Governmental Authorities or insurers to pay taxes or insurance premiums when due, or (ii)

directly to the Contractor, any other trade contractor or any other Person to whom payment is due, except to the extent Borrower is contesting such payment in accordance with the provisions of this Borrower Loan Agreement. The execution of this Borrower Loan Agreement by Borrower shall, and hereby does, constitute an irrevocable direction and authorization by Borrower to Lender to make such Disbursements of the Borrower Loan Proceeds, proceeds of the Subsidy Loan and Other Borrower Moneys. No further direction or authorization from Borrower shall be necessary or required for such direct Disbursements and any Disbursement made under this Section 3.12 shall be deemed to be a Disbursement made to and received by Borrower.

Section 3.13 Retainage, Etc. Funding Lender will make Disbursements to Borrower in an amount which, when added to all previous advances, will equal the Cost of Improvements which are due and payable by Borrower and the Cost of Improvements theretofore actually expended by Borrower minus the applicable Retainage for each contract and subcontract. The balance shall be withheld as Retainage until the conditions for release set forth below have been satisfied; provided, however, that no Retainage shall be required in respect of Soft Costs. The determination by Funding Lender of the amount of the Cost of Improvements which properly form a predicate for any Disbursement shall be final and conclusive, absent manifest error. Funding Lender shall release the Retainage upon satisfaction of all of the following conditions:

(a) All of the conditions set forth in Sections 3.6 (Final Disbursement), 3.7 (Post Completion Requirements) and 3.15 (Lien-Free) of this Borrower Loan Agreement have been satisfied or waived in writing by Funding Lender;

(b) Borrower shall have provided to Funding Lender evidence of insurance meeting the requirements of the Mortgage, including, but not limited to, evidence of property insurance covering the Improvements and meeting the requirements of Exhibit A of the Mortgage (replacing any builder's "all risk" insurance or equivalent coverage previously maintained in lieu of such property insurance);

(c) Borrower delivers to Funding Lender, for each month since construction and/or rehabilitation of the Improvements was completed, a certified rent roll and a monthly statement of income and expenses on a year-to-date basis for Borrower's operation of the Improvements;

(d) Borrower delivers to Funding Lender a final contractor's affidavit from Contractor as to payment of all sums due subcontractors and suppliers;

(e) Borrower delivers to Funding Lender a set of detailed "as built" Plans and Specifications, approved and identified as such by Borrower and the Architect; and

(f) All of the conditions set forth in the Construction Contract for release of the Retainage have been met.

Section 3.14 Title Continuation. As a condition precedent to each Disbursement under this Article III, Borrower shall, at its own cost and expense, deliver or cause to be delivered to Funding Lender from time to time such continuations of the Title Insurance Policy issued with respect to the Mortgage, respectively, in form and substance satisfactory to Funding Lender, as Lender reasonably deems necessary to insure the priority of the Mortgage as a valid mortgage lien on the Mortgaged Property as of the date of and including the amount covered by each such Disbursement.

Section 3.15 Lien-Free. Upon completion of the Project, and as a condition precedent to the final Disbursement of Borrower Loan Proceeds, Borrower shall, at Borrower's own cost and expense, deliver or cause to be delivered to Funding Lender a title continuation with respect to the Mortgaged

Property, which title continuation shall insure that the Mortgaged Property is not subject to the liens of any contractor, subcontractor, materialman or other Person providing labor, materials or services to the Mortgaged Property or otherwise in connection with the Project or any other liens except for Permitted Encumbrances.

Section 3.16 Telecopied Documents. Requests for Disbursement may be presented to Funding Lender by, among other methods, telecopy or electronic mail. Borrower acknowledges and assumes all risks relating to the use of such telecopied demands for payment and agrees that its obligations under this Borrower Loan Agreement shall remain absolute, unconditional and irrevocable as provided in the Borrower Note if Funding Lender honors such telecopied requests for Disbursement.

Section 3.17 Interest Allowance.

An interest allowance has been allocated in the amount of \$[_____] from the proceeds of the Borrower Loan. Provided that no Event of Default has occurred, sums from the interest allowance shall be advanced by the Funding Lender as needed to the Funding Lender for the exclusive purpose of paying accrued interest as it comes due under the Borrower Note. Each such advance shall constitute a Disbursement of Borrower Loan Proceeds and shall increase the outstanding principal amount of the Borrower Loan by an amount equal to such Disbursement. The foregoing sums shall be so used until such time as such allowance has been exhausted, so long as no Event of Default has occurred. Nevertheless, the creation of such allowance shall not release the Borrower from its contractual obligation to pay interest under the terms of the Borrower Note to the extent the allowance is insufficient to pay all of the interest under the Borrower Note nor shall the Funding Lender be obligated under the terms of this Borrower Loan Agreement or the Borrower Loan Documents to use such allowance for the payment of accrued interest.

ARTICLE IV

CONSTRUCTION MATTERS

Section 4.1 Commencement and Completion.

(a) Borrower shall cause construction or rehabilitation, as the case may be, of the Improvements, to be prosecuted and completed with due diligence and in good faith, and without delay, other than as a result of Force Majeure with such Force Majeure delay not to exceed sixty (60) days. Each construction contract and each Contractor retained by Borrower are subject to prior approval by Funding Lender.

(b) The construction or rehabilitation, as the case may be, of the Improvements, shall be (i) commenced no later than thirty (30) days after the Closing Date, and (ii) completed substantially in accordance with the terms and conditions of this Borrower Loan Agreement on or prior to the Completion Date.

(c) Insofar as nondiscretionary permits and approvals are concerned, Borrower shall secure the issuance of each non-discretionary permit and approval prior to the commencement of any work for which such permit or approval is required. Borrower shall deliver copies of all such permits and approvals to Funding Lender immediately upon the issuance thereof to Borrower.

(d) Borrower shall cause the Improvements to be constructed, rehabilitated, installed and equipped in a good and workmanlike manner substantially in accordance with the Plans and Specifications and in compliance with all applicable Legal Requirements.

(e) Upon written demand from Funding Lender, Borrower shall, at Borrower's sole cost and expense (and, except to the extent such funds are otherwise available for such purpose in the Cost Breakdown, not from any Borrower Loan Proceeds or proceeds of the Subsidy Loan or any amounts on deposit in any account in which Borrower has granted Funding Lender a security interest), correct any defect in the Improvements or any departure from the Plans and Specifications not theretofore approved in writing by Funding Lender (to the extent Funding Lender approval is required), and it is expressly understood and agreed that no approval by Funding Lender or making by Funding Lender of any Disbursement shall constitute a waiver of the right to require compliance with this covenant with respect to any such defects or departures from the Plans and Specifications not theretofore approved by Funding Lender in writing.

Section 4.2 Change Orders. Without the prior written consent of Funding Lender, which shall not be unreasonably withheld or delayed, Borrower shall not permit any material amendments or modifications of the Plans and Specifications. Regardless of whether Funding Lender's consent to any such amendment or modification is required hereunder, if such amendment or modification will increase the cost of constructing or rehabilitating the Improvements, unless and to the extent that Funding Lender agrees in its reasonable discretion that such increase in cost may be paid out of Borrower Loan Proceeds and/or proceeds of the Subsidy Loan available under the "contingency" line item of the Cost Breakdown, Borrower shall deposit with Funding Lender, promptly upon Borrower's receipt of a written request from Funding Lender, an amount equal to any increase in cost resulting from such amendment or modification; such funds shall be disbursed by Funding Lender, in accordance with Article III. Notwithstanding the provisions of this Section 4.2, Borrower shall not be required to obtain Funding Lender's consent to, or to deposit funds with Funding Lender for, any individual change order with respect to the Improvements of \$50,000 or less, provided the aggregate of all change orders for all the Improvements (including the change order at issue) does not exceed \$150,000, unless such change order (a) results in an increase in the overall contract price by an amount greater than the remaining contingency reserve in the Cost Breakdown, (b) reduces the floor areas of the building(s) or aggregate number of rooms or units in the Improvements; or (c) substantially changes the Construction Schedule or the scope or design of the work or adversely affects the structural integrity, quality of materials, finishes or amenities or quality of the Improvements. In addition, Borrower shall not permit any material amendments or modifications of the Plans and Specifications without the prior consent of Funding Lender.

Section 4.3 Compliance with Construction Lien Law. Borrower will comply in all respects with the lien law of the State of Connecticut as the same may from time to time exist, and Funding Lender shall not be obligated to disburse any funds to Borrower or any other person or entity if, in the reasonable opinion of Funding Lender and its counsel, such Disbursement would result in a violation of such law. Borrower further covenants and agrees as follows:

(a) Borrower will cause all materials, supplies and goods to be incorporated as part of the Improvements to be delivered to the Mortgaged Property free and clear of all liens and encumbrances so that no parties other than Governmental Lender and Funding Lender shall have an interest therein. If any construction lien or mechanic's lien shall be filed against the Mortgaged Property or the Improvements or any interest therein by reason of work, labor, services or materials supplied or claimed to have been supplied, or any other liens or encumbrances shall be recorded, filed or suffered to exist, and if any such construction lien, mechanic's lien or other lien or encumbrance is not discharged or bonded within forty five (45) days of the notice of filing or recording thereof, then Funding Lender may, at its option: (i) bond, pay and discharge such lien or encumbrance; (ii) reserve funds from the Borrower Loan and/or the Subsidy Loan contemplated herein or otherwise for payment of such lien or encumbrance; or (iii) obtain a surety bond for payment of such lien or encumbrance. In such case, the sum which Funding Lender shall have so paid, or any other costs incurred by Funding Lender in connection therewith, shall be deemed a Borrower Payment Obligation hereunder and shall be payable in accordance with the terms hereof. While any such

lien or encumbrance remains of record and unbonded, Funding Lender may withhold the making of any further Disbursements hereunder.

(b) Borrower hereby agrees to indemnify and hold Governmental Lender and Funding Lender harmless from any and all losses, claims, and damages, including interest and attorneys' fees, which Lender may suffer by virtue of any failure by Borrower, Governmental Lender or Funding Lender to comply with any of the provisions of the lien law of the State of Connecticut. Borrower shall make or cause to be made only such payments to the Contractor, or any subcontractors, sub-subcontractors, laborers or materialmen, as are "proper payments" for the Cost of Improvement under the lien law of the State of Connecticut. The Borrower shall supply the Funding Lender with a complete list of all contractors, suppliers, materialmen or other potential lien claimants who have served notices to the Borrower as to the Improvements.

(c) The Funding Lender shall have the right to determine the amount of the Borrower Loan Proceeds and proceeds of the Subsidy Loan that are available for Cost of Improvements and other costs and the Funding Lender shall have the right to make disbursements in accordance with such determinations. If any request for advances requires an amendment to any breakdown of the Cost of Improvements or a reallocation of any portion of the Borrower Loan Proceeds and/or proceeds of the Subsidy Loan in accordance with the provisions of the lien law of the State of Connecticut, such reallocation request will be considered in accordance with the terms and conditions of this Borrower Loan Agreement, and the Borrower shall fully and timely comply with all of the Borrower's obligations under the lien law of the State of Connecticut, including, but not limited to, the providing of all notices required thereby, and the Borrower shall provide to the Funding Lender written sworn statements executed by the Contractor and all other actual or potential lienors confirming that the Contractor or other lienor or third party has received the written notice required by the lien law of the State of Connecticut. The Funding Lender shall not be obligated to approve a reallocation requested by the Borrower, or to disburse funds pursuant to an approved reallocation request made by the Borrower, until and unless the Borrower has complied with all of its obligations relating to such disbursement under the terms and provisions of this Borrower Loan Agreement and the lien law of the State of Connecticut. Nothing contained herein shall be deemed to constitute a waiver by the Funding Lender of any of its rights relating to the approval of disbursement requests or construction budget or allocations provided elsewhere in this Borrower Loan Agreement.

Section 4.4 Payment and Performance Bonds. Borrower shall furnish to Funding Lender and shall maintain in effect such Payment and Performance Bonds with respect to the Contractor for the entire Project. Borrower shall take such action and require such performance as Funding Lender deems necessary under the Payment and Performance Bonds. In the event that any payments under any Payment and Performance Bonds are issued jointly to Borrower and Funding Lender, Borrower shall endorse any such jointly issued payments to the order of Funding Lender, promptly upon Funding Lender's demand.

Section 4.5 Construction Information and Verification.

(a) From time to time, within ten (10) days after the written request of Funding Lender, Borrower shall deliver to Funding Lender, any and all of the following information and documents that Funding Lender may request, all in forms acceptable to Funding Lender:

(i) Current Plans and Specifications for the Improvements certified by the Architect as being complete and accurate, and a line item cost breakdown for the proposed construction and/or rehabilitation of the Improvements;

(ii) Upon request of the Funding Lender, true and correct copies of the most current versions of all executed Major Contracts, including any changes thereto;

(iii) True and correct copies of all grading, foundation, building and all other construction permits, licenses and authorizations from all applicable Government Authorities or third parties necessary for the construction and/or rehabilitation of the Improvements and the operation of, and access to, the Mortgaged Property;

(iv) A Construction Schedule showing the progress of construction or rehabilitation, as the case may be, and the projected sequencing and completion times for uncompleted work, all as of the date of the schedule;

(v) Upon request of the Lender, true and correct copies of the most current versions of all executed Major Contracts, including any changes thereto; and

(vi) Any update to any item described above which Borrower may have previously delivered to Funding Lender.

(b) Borrower expressly authorizes Funding Lender and Governmental Lender to contact Architect, Contractor or any contractor, subcontractor, material supplier, surety or any Governmental Authority to verify any information disclosed in accordance with this Section 4.5. Funding Lender and Governmental Lender, as applicable, shall give notice to Borrower of any such contacts, provided that Funding Lender and Governmental Lender shall not incur any liability to Borrower by reason of the failure to give such notice, and Borrower's obligations under the Borrower Loan Documents and the Subsidy Loan Documents shall not be affected in any manner by any failure to give such notice. The Construction Contract shall require the Construction Manager to disclose such information to Lender. Any defaulting architect, contractor, subcontractor, material supplier or surety shall be promptly replaced, and Borrower shall promptly deliver all required information and documents to Lender regarding each replacement architect, contractor, subcontractor, material supplier and surety. Lender may disapprove any architect, contractor, subcontractor, material supplier, surety or other party whom Lender in its reasonable judgment may deem financially or otherwise unqualified, however, the absence of any such disapproval shall not constitute a representation of qualification.

Section 4.6 Rights of Inspection; Agency; Appraisal.

(a) Inspections; Agency. Funding Lender and the Construction Consultant shall have the right from time to time, during normal business hours (except in the case of an emergency, in which event such party shall have the right at any time without any advance notice) and upon reasonable written notice (which can be in the form of an e-mail), to enter upon the Mortgaged Property for purposes of inspection. If Funding Lender, in its judgment, based upon the Construction Consultant's report or otherwise, determines that any work or materials are not in substantial conformity with the Plans and Specifications or with any Legal Requirements, or are not otherwise in substantial conformity with sound building practice, Funding Lender shall have the right to demand that Borrower, and Borrower shall, stop the work (or cause the work to be stopped) and to order replacement or correction of any such work or materials regardless of whether or not such work or materials have theretofore been incorporated into the Improvements. Inspection by Funding Lender or the Construction Consultant of the Mortgaged Property or the Improvements is for the sole purpose of protecting the security of Lender and is not to be construed as a representation by Funding Lender that there has been compliance with the Plans and Specifications or that the Improvements will be free of faulty materials or workmanship. Borrower may make or cause to be made such other independent inspections as Borrower may desire for its own protection, and nothing contained herein shall be construed as requiring Funding Lender to construct, rehabilitate or supervise the construction or rehabilitation of the Improvements. Effective upon and during the continuance of an Event of Default hereunder, Borrower hereby appoints and authorizes Funding Lender, as Borrower's agent and attorney-in-fact, to record any notices of completion, cessation of labor, non-responsibility and other notices that Funding Lender deems

necessary to record in order to protect any interest of Funding Lender under the provisions of this Loan Agreement or under any other Borrower Loan Document or Subsidy Loan Document. This agency and power of attorney is a power coupled with an interest and is irrevocable.

(b) Appraisals. If required by Lender (but, provided no Event of Default has occurred and is continuing), or if required by law, Lender shall have the right to order an Appraisal of the Mortgaged Property from time to time at the expense of Borrower, which Appraisal shall be satisfactory to Funding Lender in all respects.

Section 4.7 Third-Party Consultants. Funding Lender intends to retain the Construction Consultant (or such other construction consultant as is retained by Funding Lender or servicer), the reasonable costs of which shall be paid by Borrower, to provide the following services: (i) review final Plans and Specifications and final construction cost breakdown and the construction schedule related to the Project, (ii) conduct compliance inspections with respect to the progress of the Project, and (iii) perform such other services as may, from time to time, be required by Funding Lender. This payment obligation on the part of Borrower shall survive the closing of the transactions contemplated by this Borrower Loan Agreement and the repayment of the Borrower Loan. Borrower hereby authorizes Funding Lender, in its discretion, to pay such expenses, charges, costs and fees at any time by a Disbursement of Borrower Loan Proceeds.

ARTICLE V

CONVERSION; EXTENSION

Section 5.1 The Permanent Loan. The parties contemplate that (a) the Borrower Loan shall be converted to a permanent loan following completion of the Project pursuant to the terms hereof, (b) \$[_____] of the Borrower Loan shall be repaid on or prior to the Conversion Date, (c) portions of the Subsidy Loan, Borrower Deferred Equity and any other project sources not advanced for construction of the Improvements shall be made available to repay \$[_____] of the Borrower Loan on or prior to the Conversion Date, and (d) once fully advanced, the Subsidy Loan shall be converted to a permanent loan following completion of the Project pursuant to the terms hereof.

Section 5.2 Conditions to Conversion. Borrower shall satisfy each of the Conditions to Conversion (as defined and described below) and cause Conversion to occur on or before the Conversion Date. Borrower's failure to satisfy each of the Conditions to Conversion on or before the Conversion Date shall constitute an Event of Default under the Borrower Loan Documents. Conversion is conditioned upon the satisfaction of each of the following conditions prior to the Conversion Date a "Condition to Conversion" and collectively, the "Conditions to Conversion"):

(a) There shall exist no Event of Default or any event or state of facts which, after notice or the passage of time, or both, could give rise to an Event of Default.

(b) The Improvements are Substantially Complete. All heating, air conditioning, ventilating and other building systems in the Improvements are in good working order and there has been no deterioration in or damage to the Project that would materially and adversely affect its value as security for the Borrower Loan.

(c) The physical and environmental conditions of the Project are satisfactory to the Funding Lender in its reasonable discretion and there has been no Material Adverse Change to the Project since the Completion Date.

(d) The Borrower has provided the Funding Lender with a final Conversion Certificate in form and substance acceptable to the Funding Lender.

(e) The Funding Lender has received, if applicable, any required Pre-Conversion Loan Equalization Payment.

(f) The residential units in the Project have met the Occupancy Requirement under legally valid, binding and enforceable lease agreements with bona fide tenants (excluding employees of the Borrower or any Affiliate of the Borrower) who meet the qualifications required for the Tax Credits and providing for initial lease terms of not less than twelve (12) months, nor more than twenty-four (24) months for each of the three (3) months comprising the Three Month Period.

(g) The Project has achieved (i) a Total Debt Service Coverage Ratio (using actual vacancy of the Project at the time of the determination of Effective Gross Income rather than any different standard set forth in the definition of Effective Gross Income) of not less than 1.15 to 1.0 for each month of the Three Month Period, (ii) a Debt Service Coverage Ratio (using actual vacancy of the Project at the time of the determination of Effective Gross Income rather than any different standard set forth in the definition of Effective Gross Income) of not less than 1.20 to 1.0 for each month of the Three Month Period and (iii) a Total Debt Service Coverage Ratio of 1.05 to 1.0 under the Funding Lender's pro forma forecast, on or before the Conversion Date, based on annual revenue growth of two percent (2%) and annual expense growth of three percent (3%) during the Permanent Term.

(h) The Project (i) meets the requirements of a "qualified low income housing project" within the meaning of Section 42(g) of the Code and (ii) is in compliance with all federal, state and local low income housing and other requirements applicable to the Project and any applicable requirements of the Code.

(i) The Project is eligible for Tax Credits in the amounts consistent with the requirements of paragraph 2.3(b)(iv) of this Borrower Loan Agreement and the Tax Credits have been reserved for and allocated to, the Project in the required amount as evidenced by the Lender's receipt of a copy of the signed and submitted Treasury Form 8609. In the event Treasury Form 8609 is not obtainable prior to the Conversion Date, the Funding Lender will waive the requirement as a Condition to Conversion, subject to Funding Lender receiving (i) a copy of the final Accountant's Certification (as defined in the Partnership Agreement and copies of all other documentation filed by the Borrower with the Connecticut Housing Finance Authority for purposes of obtaining Treasury Form 8609, and (ii) Funding Lender's receipt of Treasury Form 8609 within one year of the Conversion Date or if earlier, the date required under the Borrower's Partnership Agreement.

(j) The identity of the Borrower has not changed and there has been no Material Adverse Change in the condition, financial or otherwise, of the Borrower or the General Partner.

(k) The identity of the Guarantor has not changed, there is no reduction in the Guarantor; direct or indirect, ownership interests in, or Control of, the Borrower, except to the extent permitted under the Borrower Loan Documents, and there has been no Material Adverse Change in the condition, financial or otherwise, of any Guarantor.

(l) The Funding Lender has received an as-completed ALTA survey of the Project showing no encroachments by any of the Improvements upon any boundary line, easement, building set-back lines, wetlands or other restricted area.

(m) The Funding Lender has received a date down title endorsement showing no Transfer of the Borrower's title in and to the Project other than a Permitted Transfer and no liens or encumbrances other than Permitted Encumbrances.

(n) The Borrower shall have provided satisfactory evidence of continuing insurance coverage in accordance with the terms of the Mortgage.

(o) The Borrower shall have funded the reserve under the Replacement Reserve Agreement and has established and funded any required escrows.

(p) The Borrower shall have established and funded the tax and insurance reserves in accordance with the terms and conditions of the Mortgage.

(q) The Borrower has received the Equity Contributions from its Equity Investor anticipated to be paid under the terms of its Partnership Agreement and such other sources as may be available (including the Subsidy Loan and/or Other Borrower Moneys) such that the total of \$[_____] of the Borrower Loan shall have been repaid on or prior to Conversion.

(r) The Project is in compliance with all Hazardous Materials laws (as defined in the Agreement of Environmental Indemnification) and any required remediation of asbestos containing materials, lead based paint or other Hazardous Materials to be completed prior to Conversion shall have been completed to the satisfaction of the Funding Lender.

(s) All fees payable by the Borrower under this Borrower Loan Agreement or any other Borrower Loan Document on or before the Conversion Date shall have been paid, including, without limitation, the Permanent Loan Origination Fee.

(t) The Borrower shall have executed and delivered to the Lender such other information, documentation, and certifications as the Lender may reasonably request.

(u) The Funding Lender has received a final ALTA "as built" survey reasonably satisfactory to Funding Lender and the Title Company, showing all Improvements.

(v) All violations of record have been vacated and removed and evidence thereof has been provided to Funding Lender; provided, however, if such violations are not capable of being vacated and removed, then at Funding Lender's and Funding Lender's reasonable discretion Borrower may post funds in escrow sufficient to vacate and remove such violation.

(w) [The Borrower shall have received and delivered to Funding Lender the executed HAP Contract in form and substance acceptable to Funding Lender, together with a consent from Governmental Lender to the collateral assignment of the HAP Contract to the Funding Lender in form and substance satisfactory to Funding Lender.]

(x) The Borrower shall have delivered an estoppel certificate, in form and substance acceptable to Funding Lender, confirming that the Ground Lease is in full force and effect and that there are no defaults thereunder by the Borrower.

(y) Borrower shall have deposited with the Funding Lender the Operating Reserve.

Section 5.3 Intentionally Omitted.

Section 5.4 Extension of Construction Term Maturity Date.

(a) Borrower shall, upon not less than thirty (30) days and not more than ninety (90) days prior written notice to Funding Lender, be entitled to a six (6) month extension of the Construction Term Maturity Date (the “First Extension”), provided that (a) there shall be no Event of Default or Potential Default, (b) a temporary certificate of occupancy shall have been issued for the Improvements (and 100% of the residential units therein) from the applicable Governmental Authority and receipt of a certificate of substantial completion from the Architect and concurrence from the Construction Consultant, (c) Funding Lender reasonably determines that sources for the payment of interest and fees are not less than the Estimated Debt Service (as hereinafter defined), which sources can be any combination of (i) remaining balances in the Cost Breakdown for the interest line item and, if applicable, letter of credit fees; (ii) cash deposited by the Borrower on or before the commencement of the extension; or (iii) Net Operating Income, for the term of the first extension calculated using Net Operating Income in the most recent three (3) months), (d) the Borrower pays to Funding Lender an extension fee equal to 0.25% of the sum of the outstanding balance of the Borrower Loan together with Funding Lender’s legal expenses, (e) no default exists beyond any applicable notice and/or cure period under the Partnership Agreement and all required Borrower Equity then due under the Partnership Agreement or otherwise, as the same may be adjusted pursuant to the terms thereof, shall have been paid in full, (f) no default exists beyond any applicable note and/or cure period under Ground Lease, (g) the commitments or documents executed in connection with the Subsidy Loan and same remain in full force and effect, and (h) the execution of any other documentation required by the Funding Lender including but not limited to, reaffirmation of the Guaranty. For purposes of Article V, “Estimated Debt Service” shall be the sum of interest on all debt of the Borrower (at a rate equal to the interest rate at the time of the granting of the first extension plus a cushion of 25 basis points), each calculated for the term of the first extension.

(b) Borrower shall, upon not less than thirty (30) days and not more than ninety (90) days prior written notice to Funding Lender, be entitled to a second six (6) month extension of the Construction Term Maturity Date (the “Second Extension”), provided that, in addition to the conditions set forth above, (a) a permanent certificate of occupancy shall have been issued for the Improvements (and 100% of the residential units therein) from the applicable Governmental Authority or a temporary certificate of occupancy acceptable to the Funding Lender and Equity Investor, (b) at least ninety five percent (95%) of the units at the Improvements have been rented to bona fide tenants paying rent with no offset at the underwritten rents set forth in the Appraisal, and (c) the commitments or documents executed in connection with the Subsidy Loan and same remain in full force and effect.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.1 Borrower Representations. To induce the Governmental Lender to execute this Borrower Loan Agreement and to induce Funding Lender to make Disbursements, Borrower represents and warrants for the benefit of the Governmental Lender, Funding Lender and the servicer (if any), that the representations and warranties set forth in this Section 6.1 are complete and accurate as of the Closing Date and will be complete and accurate, and deemed remade, as of the date of each Disbursement and as of the date of any extension of the Construction Term Maturity Date. Subject to Section 6.2 hereof, the representations, warranties and agreements set forth in this Section 6.1 shall survive the making of the Borrower Loan, and shall remain in effect and true and correct in all material respects until the Borrower Loan and all other Borrower Payment Obligations have been repaid in full:

Section 6.1.1 Organization; Special Purpose. The Borrower is in good standing under the laws of the State (and under the laws of the state in which the Borrower was formed if the Borrower was not

formed under the laws of the State), has full legal right, power and authority to enter into the Borrower Loan Documents to which it is a party, and to carry out and consummate all transactions contemplated by the Borrower Loan Documents and the Subsidy Loan Documents to which it is a party, and by proper corporate, limited partnership or limited liability company action, as appropriate has duly authorized the execution, delivery and performance of the Borrower Loan Documents and the Subsidy Loan Documents to which it is a party. The Person(s) of the Borrower executing the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are fully authorized to execute the same. The Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower. The sole business of the Borrower is the ownership, management, construction and improvement, and operation of the Project.

Section 6.1.2 Proceedings; Enforceability. Assuming due execution and delivery by the other parties thereto, the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents to which the Borrower is a party will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

Section 6.1.3 No Conflicts. The execution and delivery of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents to which the Borrower is a party, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Partnership Agreement of the Borrower or to the best knowledge of the Borrower and with respect to the Borrower, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, or the financial condition, assets, properties or operations of the Borrower.

Section 6.1.4 Litigation; Adverse Facts. There is no Legal Action, nor is there a basis known to Borrower for any Legal Action, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, threatened, against or affecting the Borrower, the General Partner or the Guarantor, or their respective assets, properties or operations which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents, upon the ability of each of Borrower, General Partner and Guarantor to perform their respective obligations under the Borrower Loan Documents, the Subsidy Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or upon the financial condition, assets (including the Project), properties or operations of the Borrower, the General Partner or the Guarantor. None of the Borrower, General Partner or Guarantor is in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, the ability of each of Borrower, General Partner and Guarantor to perform their respective obligations under the Borrower Loan

Documents, the Funding Loan Documents and the Related Documents to which it is a party, or the financial condition, assets, properties or operations of the Borrower, General Partner or Guarantor. None of Borrower, General Partner or Guarantor are (a) in violation of any applicable law, which violation materially and adversely affects or may materially and adversely affect the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable; (b) subject to, or in default with respect to, any other Legal Requirement that would have a material adverse effect on the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable; or (c) in default with respect to any agreement to which Borrower, General Partner or Guarantor, as applicable, are a party or by which they are bound, which default would have a material adverse effect on the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable; and (d) there is no Legal Action pending or, to the knowledge of Borrower, threatened against or affecting Borrower, General Partner or Guarantor questioning the validity or the enforceability of this Borrower Loan Agreement or any of the other Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents or of any of the Related Documents. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

Section 6.1.5 Agreements; Consents; Approvals. Except as contemplated by the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, the Borrower is not a party to any agreement or instrument or subject to any restriction that would materially adversely affect the Borrower, the Project, or the Borrower's business, properties, operations or financial condition or business prospects, except the Permitted Encumbrances. The Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Project is bound.

No consent or approval of any trustee or holder of any indebtedness of the Borrower, and to the best knowledge of the Borrower and only with respect to the Borrower, no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except no representation is made with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

Section 6.1.6 Title. The Borrower shall have marketable title to a leasehold interest in the Project, free and clear of all Liens except the Permitted Encumbrances. The Mortgage, when properly recorded in the appropriate records, together with any UCC financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the leasehold interest in the Project and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty included in the Project (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances. To the Borrower's knowledge, there are no delinquent real property taxes or assessments, including water and sewer charges, with respect to the Project, nor are there any claims for payment for work, labor or materials affecting the Project which are or may become a Lien prior to, or of equal priority with, the Liens created by the Borrower Loan Documents and the Funding Loan Documents.

Section 6.1.7 Survey. To the best knowledge of the Borrower, the survey for the Project delivered to the Governmental Lender and the Funding Lender does not fail to reflect any material matter affecting the Project or the title thereto.

Section 6.1.8 No Bankruptcy Filing. The Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency law or the liquidation of all or a major portion of its property (a “Bankruptcy Proceeding”), and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it. As of the Closing Date, the Borrower has the ability to pay its debts as they become due.

Section 6.1.9 Full and Accurate Disclosure. No statement of fact made by the Borrower in any Borrower Loan Document, the Subsidy Loan Documents or any Funding Loan Document contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein in light of the circumstances in which they were made, not misleading. There is no material fact or circumstance presently known to the Borrower that has not been disclosed to the Governmental Lender and the Funding Lender which materially and adversely affects the Project or the business, operations or financial condition or business prospects of the Borrower or the Borrower’s ability to meet its obligations under this Borrower Loan Agreement and the other Borrower Loan Documents, the Subsidy Loan Documents and Funding Loan Documents to which it is a party in a timely manner.

Section 6.1.10 No Plan Assets. The Borrower is not an “employee benefit plan,” as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of the Borrower constitutes or will constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. Section 2510.3 101.

Section 6.1.11 Compliance. The Borrower, the Project and the use thereof will comply, to the extent required, in all material respects with all applicable Legal Requirements. The Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would materially adversely affect the financial condition or business prospects or the business of the Borrower. There has not been committed by the Borrower or any Affiliate involved with the operation or use of the Project any act or omission affording any Governmental Authority the right of forfeiture as against the Project or any part thereof or any moneys paid in performance of the Borrower’s obligations under any Borrower Loan Document, the Subsidy Loan Documents or any Funding Loan Documents.

Section 6.1.12 Contracts. All service, maintenance or repair contracts affecting the Project have been entered into at arm’s length (except for such contracts between the Borrower and its affiliates or the affiliates of the Borrower Controlling Entity of the Borrower) in the ordinary course of the Borrower’s business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 6.1.13 Financial Information. All financial data, including any statements of cash flow and income and operating expense, that have been delivered to the Governmental Lender or the Funding Lender in respect of the Project by or on behalf of the Borrower, to the best knowledge of the Borrower, (i) are accurate and complete in all material respects, (ii) accurately represent the financial condition of the Project as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with GAAP consistently applied throughout the periods covered, except as disclosed therein. Other than pursuant to or permitted by the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents or the Borrower organizational documents, the Borrower has no contingent liabilities, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments. Since the date of such financial statements, there

has been no materially adverse change in the financial condition, operations or business of the Borrower from that set forth in said financial statements.

Section 6.1.14 Condemnation. No Condemnation or other proceeding has been commenced or, to the Borrower's knowledge, is contemplated, threatened or pending with respect to all or part of the Project or for the relocation of roadways providing access to the Project.

Section 6.1.15 Federal Reserve Regulations. No part of the proceeds of the Borrower Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other regulation of such Board of Governors, or for any purpose prohibited by Legal Requirements or any Borrower Loan Document, the Subsidy Loan Documents or Funding Loan Document.

Section 6.1.16 Utilities and Public Access. To the best of the Borrower's knowledge, the Project is or will be served by water, sewer, sanitary sewer and storm drain facilities adequate to service it for its intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Project are or will be located in the public right-of-way abutting the Project, and all such utilities are or will be connected so as to serve the Project without passing over other property absent a valid easement. All roads necessary for the use of the Project for its current purpose have been or will be completed and dedicated to public use and accepted by all Governmental Authorities. Except for Permitted Encumbrances, the Project does not share ingress and egress through an easement or private road or share on-site or off-site recreational facilities and amenities that are not located on the Project and under the exclusive control of the Borrower, or where there is shared ingress and egress or amenities, there exists an easement or joint use and maintenance agreement under which (i) access to and use and enjoyment of the easement or private road and/or recreational facilities and amenities is perpetual, (ii) the number of parties sharing such easement and/or recreational facilities and amenities must be specified, (iii) the Borrower's responsibilities and share of expenses are specified, and (iv) the failure to pay any maintenance fee with respect to an easement will not result in a loss of usage of the easement.

Section 6.1.17 Not a Foreign Person. The Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

Section 6.1.18 Separate Lots. Each parcel comprising the Land is a separate tax lot and is not a portion of any other tax lot that is not a part of the Land.

Section 6.1.19 Assessments. There are no pending or, to the Borrower's best knowledge, proposed special or other assessments for public improvements or otherwise affecting the Project, or any contemplated improvements to the Project that may result in such special or other assessments.

Section 6.1.20 Enforceability. The Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents are not subject to, and the Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

Section 6.1.21 Insurance. The Borrower has obtained the insurance required by this Borrower Loan Agreement, if applicable, and the Mortgage and has delivered to the Funding Lender or servicer copies of insurance policies or certificates of insurance reflecting the insurance coverages, amounts and other requirements set forth in this Borrower Loan Agreement, if applicable, and the Mortgage.

Section 6.1.22 Use of Property; Licenses. The Project will be used exclusively as a multifamily residential rental project and other appurtenant and related uses, which use is consistent with the zoning

classification for the Project, except as disclosed in the zoning reports provided to the Funding Lender. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use or legal, nonconforming use, as applicable, occupancy and operation of the Project (collectively, the “Licenses”) required at this time for the construction or rehabilitation, as appropriate, and equipping of the Project have been obtained. To the Borrower’s knowledge, all Licenses obtained by the Borrower have been validly issued and are in full force and effect. The Borrower has no reason to believe that any of the Licenses required for the future use and occupancy of the Project and not heretofore obtained by the Borrower will not be obtained by the Borrower in the ordinary course following the Completion Date. No Licenses will terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure sale under the Mortgage or deed in lieu of foreclosure thereunder. The Project does not violate any density or building setback requirements of the applicable zoning law except to the extent, if any, shown on the survey or zoning report provided to the Funding Lender. No proceedings are, to the best of the Borrower’s knowledge, pending or threatened that would result in a change of the zoning of the Project.

Section 6.1.23 Flood Zone. Either all Improvements will be constructed above the flood grade or the Borrower will obtain appropriate flood insurance as directed by the Funding Lender or servicer.

Section 6.1.24 Physical Condition. The Project, including all Improvements, parking facilities, systems, fixtures, equipment and landscaping, are or, after completion of the construction, rehabilitation and/or repairs, as appropriate, will be in good and habitable condition in all material respects and in good order and repair in all material respects (reasonable wear and tear excepted). The Borrower has not received notice from any insurance company or bonding company of any defect or inadequacy in the Project, or any part thereof, which would adversely affect its insurability or cause the imposition of extraordinary premiums or charges thereon or any termination of any policy of insurance or bond. The physical configuration of the Project is not in material violation of the ADA, if required under applicable law.

Section 6.1.25 Encroachments. All of the Improvements included in determining the appraised value of the Project will lie wholly within the boundaries and building restriction lines of the Project, and no improvement on an adjoining property encroaches upon the Project, and no easement or other encumbrance upon the Project encroaches upon any of the Improvements, so as to affect the value or marketability of the Project, except those insured against by the Title Insurance Policy or disclosed in the survey of the Project as approved by the Funding Lender or servicer.

Section 6.1.26 State Law Requirements. The Borrower hereby represents, covenants and agrees to comply with the provisions of all applicable state laws relating to the Borrower Loan, Subsidy Loan, the Funding Loan and the Project.

Section 6.1.27 Filing and Recording Taxes. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Project to the Borrower have been paid. All mortgage, mortgage recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents have been or will be paid.

Section 6.1.28 Investment Company Act. The Borrower is not (i) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; or (ii) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 6.1.29 Fraudulent Transfer. The Borrower has not accepted the Borrower Loan or Subsidy Loan or entered into any Borrower Loan Document, any Subsidy Loan Documents or Funding Loan Document with the actual intent to hinder, delay or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents. Giving effect to the transactions contemplated by the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, the fair saleable value of the Borrower's assets exceeds and will, immediately following the execution and delivery of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, exceed the Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Borrower's assets is and will, immediately following the execution and delivery of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, be greater than the Borrower's probable liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower's assets do not and, immediately following the execution and delivery of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

Section 6.1.30 Ownership of the Borrower. Except as set forth in the Partnership Agreement of the Borrower, the Borrower has no obligation to any Person to purchase, repurchase or issue any ownership interest in it.

Section 6.1.31 Environmental Matters. To the best of Borrower's knowledge and except as disclosed in Environmental Reports provided to the Funding Lender, the Project is not in violation of any Legal Requirement pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up, and will comply with covenants and requirements relating to environmental hazards as set forth in the Mortgage. The Borrower will execute and deliver the Agreement of Environmental Indemnification.

Section 6.1.32 Name; Principal Place of Business. Unless prior Written Notice is given to the Funding Lender, the Borrower does not use and will not use any trade name, and has not done and will not do business under any name other than its actual name set forth herein. The principal place of business of the Borrower is its primary address for notices as set forth in Section 11.1 hereof, and the Borrower has no other place of business, other than the Project and such principal place of business.

Section 6.1.33 Subordinated Debt. There is no secured or unsecured indebtedness with respect to the Project or any residual interest therein, other than Permitted Encumbrances, unsecured, subordinate loans made by the partners pursuant to the Partnership Agreement payable solely from cash flow after payment of all other debt and expenses of the Project, and the permitted secured indebtedness described in Section 8.7 hereof, except an unsecured deferred developer fee not to exceed the amount permitted by Funding Lender as determined on the Closing Date as set forth in the Partnership Agreement.

Section 6.1.34 Filing of Taxes. The Borrower has filed (or has obtained effective extensions for filing) all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments, if any, payable by the Borrower.

Section 6.1.35 General Tax. All representations, warranties and certifications of the Borrower set forth in the Regulatory Agreement and the Tax Certificate are incorporated by reference herein and the Borrower will comply with such as if set forth herein.

Section 6.1.36 Approval of the Borrower Loan Documents, the Subsidy Loan Documents and Funding Loan Documents. By its execution and delivery of this Borrower Loan Agreement, the Borrower approves the form and substance of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, and agrees to carry out the responsibilities and duties specified in the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents to be carried out by the Borrower. The Borrower acknowledges that (a) it understands the nature and structure of the transactions relating to the financing of the Project, (b) it is familiar with the provisions of all of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents and other documents and instruments relating to the financing, (c) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (d) it has not relied on the Governmental Lender, the Funding Lender or the servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents or otherwise relied on the Governmental Lender, the Funding Lender or the servicer (if any) in any manner.

Section 6.1.37 Funding Loan Agreement. The Borrower has read and accepts and agrees that it is bound by the Funding Loan Agreement and the Funding Loan Documents; provided, however, the Borrower shall not be obligated to perform any duty or undertaking of the Governmental Lender, the Funding Lender or the servicer (if any).

Section 6.1.38 Americans with Disabilities Act. The Project, as designed, will conform in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990 (“ADA”), to the extent required by the ADA (as evidenced by an architect’s certificate to such effect).

Section 6.1.39 Requirements of Act, Code and Regulations. The Project satisfies all requirements of the Act, the Code and the Regulations applicable to the Project.

Section 6.1.40 Regulatory Agreement. The Project is, as of the date of origination of the Funding Loan, in compliance with all requirements of the Regulatory Agreement to the extent such requirements are applicable; and the Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, and pursuant to leases which comply with all applicable laws.

Section 6.1.41 Intention to Hold Project. The Borrower intends to hold the Project for its own account and has no current plans, and has not entered into any agreement, to sell the Project or any part of it; and the Borrower intends to occupy the Project or cause the Project to be occupied and to operate it or cause it to be operated at all times during the term of this Borrower Loan Agreement in compliance with the terms of this Borrower Loan Agreement and the Regulatory Agreement and does not know of any reason why the Project will not be so used by it in the absence of circumstances not now anticipated by it or totally beyond its control.

Section 6.1.42 Concerning General Partner.

(a) The General Partner of Borrower is a corporation, duly organized and validly existing under the laws of the State of Connecticut. The General Partner has all requisite power and authority, rights

and franchises to enter into and perform its obligations under the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents to be executed by the General Partner for its own account and on behalf of Borrower, as general partner of Borrower, under this Borrower Loan Agreement and the other Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents.

(b) General Partner has made all filings (including, without limitation, all required filings related to the use of fictitious business names) and is in good standing in the State and in each other jurisdiction in which the character of the property it owns or the nature of the business it transacts makes such filings necessary or where the failure to make such filings could have a material adverse effect on the business, operations, assets, condition (financial or otherwise) or prospects of General Partner.

(c) General Partner is duly authorized to do business in the State.

(d) The execution, delivery and performance by Borrower of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents have been duly authorized by all necessary action of General Partner on behalf of Borrower, and by all necessary action on behalf of General Partner.

(e) The execution, delivery and performance by General Partner, on behalf of Borrower, of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents will not violate (i) General Partner's organizational documents; (ii) any other Legal Requirement affecting General Partner or any of its properties; or (iii) any agreement to which General Partner is bound or to which it is a party; and will not result in or require the creation (except as provided in or contemplated by this Borrower Loan Agreement) of any Lien upon any of such properties, any of the Collateral or any of the property or funds pledged or delivered to Funding Lender pursuant to the Borrower Loan Documents and Funding Loan Documents.

Section 6.1.43 Government and Private Approvals. All governmental or regulatory orders, consents, permits, authorizations and approvals required for the construction, rehabilitation, use, occupancy and operation of the Improvements, that may be granted or denied in the discretion of any Governmental Authority, have been obtained and are in full force and effect (or, in the case of any of the foregoing that Borrower is not required to have as of the Closing Date, will be obtained), and will be maintained in full force and effect at all times during the construction or rehabilitation of the Improvements. All such orders, consents, permits, authorizations and approvals that may not be denied in the discretion of any Governmental Authority shall be obtained prior to the commencement of any work for which such orders, consents, permits, authorizations or approvals are required, and, once obtained, such orders, consents, permits, authorizations and approvals will be maintained in full force and effect at all times during the construction or rehabilitation of the Improvements. Except as set forth in the preceding two sentences, no additional governmental or regulatory actions, filings or registrations with respect to the Improvements, and no approvals, authorizations or consents of any trustee or holder of any indebtedness or obligation of Borrower, are required for the due execution, delivery and performance by Borrower or General Partner of any of the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents or the Related Documents executed by Borrower or General Partner, as applicable. All required zoning approvals have been obtained, and the zoning of the Land for the Project is not conditioned upon the happening of any further event.

Section 6.1.44 Concerning Guarantor. The Borrower Loan Documents to which the Guarantor is a party or a signatory executed simultaneously with this Borrower Loan Agreement have been duly executed and delivered by Guarantor and are legally valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

Section 6.1.45 No Material Defaults. Except as previously disclosed to Funding Lender in writing, there exists no material violation of or material default by Borrower under, and, to the best knowledge of Borrower, no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default with respect to: (i) the terms of any instrument evidencing, securing or guaranteeing any indebtedness secured by the Project or any portion or interest thereof or therein; (ii) any lease or other agreement affecting the Project or to which Borrower is a party; (iii) any license, permit, statute, ordinance, law, judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority, or any determination or award of any arbitrator to which Borrower or the Project may be bound; or (iv) any mortgage, instrument, agreement or document by which Borrower or any of its respective properties is bound; in the case of any of the foregoing: (1) which involves any Borrower Loan Document, the Subsidy Loan Documents or Funding Loan Document; (2) which involves the Project and is not adequately covered by insurance; (3) that might materially and adversely affect the ability of Borrower, General Partner or Guarantor or to perform any of its respective obligations under any of the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents or any other material instrument, agreement or document to which it is a party; or (4) which might adversely affect the priority of the Liens created by this Borrower Loan Agreement or any of the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents.

Section 6.1.46 Payment of Taxes. Except as previously disclosed to Funding Lender in writing: (i) all tax returns and reports of Borrower, General Partner and Guarantor required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges upon Borrower, General Partner and Guarantor, and upon their respective properties, assets, income and franchises, which are due and payable have been paid when due and payable; and (ii) Borrower knows of no proposed tax assessment against it or against General Partner or Guarantor that would be material to the condition (financial or otherwise) of Borrower, General Partner or Guarantor, and neither Borrower nor General Partner have contracted with any Government Authority in connection with such taxes.

Section 6.1.47 Rights to Project Agreements and Licenses. Borrower is the legal and beneficial owner of all rights in and to the Plans and Specifications and all existing Project Agreements and Licenses, and will be the legal and beneficial owner of all rights in and to all future Project Agreements and Licenses. Borrower's interest in the Plans and Specifications and all Project Agreements and Licenses is not subject to any present claim (other than under the Borrower Loan Documents and the Funding Loan Documents or as otherwise approved by Funding Lender in its sole discretion), set-off or deduction other than in the ordinary course of business.

Section 6.1.48 Patriot Act Compliance. Borrower is not now, nor has ever been (i) listed on any Government Lists (as defined below), (ii) a person who has been determined by a Governmental Authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) under investigation by any Governmental Authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" shall mean any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) Bank Representative Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" shall mean (1) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC"), (2) any other list of terrorists, terrorist

organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Funding Lender notified Borrower in writing is now included in “Government Lists”, or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Government Authority or pursuant to any Executive Order of the President of the United States of America that Funding Lender notified Borrower in writing is now included in “Government Lists”.

Section 6.1.49 Rent Schedule. Borrower has prepared a rent collection schedule with respect to the Project substantially in the Pro Form Rent Schedule, which schedule takes into account, among other relevant factors (i) a schedule of minimum monthly rentals for the Units, and (ii) any and all concessions including free rent periods, and on the basis of such schedule, Borrower believes it will collect rents with respect to the Project in amounts greater than or equal to debt service on the Borrower Loan.

Section 6.1.50 Other Documents. Each of the representations and warranties of Borrower or General Partner contained in any of the other Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents or Related Documents is true and correct in all material respects (or, in the case of representations or warranties contained in any of the other Borrower Loan Documents, the Subsidy Loan Documents or Funding Loan Documents or Related Documents that speak as of a particular date, were true and correct in all material respects as of such date). All of such representations and warranties are incorporated herein for the benefit of Funding Lender.

Section 6.1.51 Survival of Representations and Covenants. All of the representations and warranties in Section 6.1 hereof and elsewhere in the Borrower Loan Documents (i) shall survive for so long as any portion of the Borrower Payment Obligations remains due and owing and (ii) shall be deemed to have been relied upon by the Governmental Lender, Funding Lender and the servicer (if any) notwithstanding any investigation heretofore or hereafter made by the Governmental Lender, Funding Lender or the servicer (if any) or on its or their behalf, provided, however, that the representations, warranties and covenants set forth in Section 6.1.31 hereof shall survive in perpetuity and shall not be subject to the exculpation provisions of Section 12.1 hereof.

Section 6.1.52 Ground Lease. The Ground Lease is in full force and effect and Borrower has paid all rent and other amounts due and payable to the ground lessor thereunder. There exists no material violation of or material default by Borrower under the Ground Lease, and no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default by any other party under the Ground Lease.

Section 6.1.53 [AHAP] The AHAP Contract has not been amended, supplemented, modified, assigned or transferred; Borrower has delivered to Funding Lender a complete copy of the AHAP Contract, and to its knowledge, there exists no default or event of default under the AHAP Contract.]

ARTICLE VII

AFFIRMATIVE COVENANTS

During the term of this Borrower Loan Agreement, the Borrower hereby covenants and agrees with the Governmental Lender, the Funding Lender and the servicer (if any) that:

Section 7.1 Existence. The Borrower shall (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and its material rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all material Licenses, and (iv) qualify to do business and remain in good standing under the laws of the State.

Section 7.2 Taxes and Other Charges. The Borrower shall pay, or cause to be paid, all Taxes and Other Charges as the same become due and payable and prior to their becoming delinquent in accordance with the Mortgage, except to the extent that the amount, validity or application thereof is being contested in good faith as permitted by the Mortgage.

The Borrower covenants to pay all taxes and Other Charges of any type or character charged to the Funding Lender affecting the amount available to the Funding Lender from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and Other Charges assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Funding Lender and taxes based upon or measured by the net income of the Funding Lender; provided, however, that the Borrower shall have the right to protest any such taxes or Other Charges and to require the Funding Lender, at the Borrower's expense, to protest and contest any such taxes or Other Charges levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or Other Charges pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Funding Lender. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 7.3 Repairs; Maintenance and Compliance; Physical Condition. The Borrower shall cause the Project to be maintained in a good, habitable and safe (so as to not threaten the health or safety of the Project's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) as set forth in the Mortgage and shall not remove, demolish or materially alter the Improvements or equipment (except for removal of aging or obsolete equipment or furnishings in the normal course of business), except as provided in the Mortgage.

Section 7.4 Litigation. The Borrower shall give prompt Written Notice to the Governmental Lender, the Funding Lender and the servicer (if any) of any litigation, governmental proceedings or claims or investigations regarding an alleged actual violation of a Legal Requirement pending or, to the Borrower's knowledge, threatened against the Borrower which might materially adversely affect the Borrower's condition (financial or otherwise) or business or the Project.

Section 7.5 Performance of Other Agreements. The Borrower shall observe and perform in all material respects each and every term to be observed or performed by it pursuant to the terms of any agreement or instrument affecting or pertaining to the Project to which the Borrower is a party or is otherwise bound.

Section 7.6 Notices. The Borrower shall promptly advise the Governmental Lender, the Funding Lender and the servicer (if any) of (i) any Material Adverse Change in the Borrower's financial condition, assets, properties or operations other than general changes in the real estate market, (ii) any fact or circumstance affecting the Borrower or the Project that materially and adversely affects the Borrower's ability to meet its obligations hereunder or under any of the other Borrower Loan Document or the Subsidy Loan Documents to which it is a party in a timely manner, or (iii) the occurrence of any Potential Default or Event of Default of which the Borrower has knowledge. If the Borrower becomes subject to federal or state securities law filing requirements, the Borrower shall cause to be delivered to the Governmental Lender, the Funding Lender and the servicer (if any) any Securities and Exchange Commission or other public filings, if any, of the Borrower within two (2) Business Days of such filing.

Section 7.7 Cooperate in Legal Proceedings. The Borrower shall cooperate fully with the Governmental Lender, the Funding Lender and the servicer (if any) with respect to, and permit the Governmental Lender, the Funding Lender and the servicer (if any) at their option, to participate in, any

proceedings before any Governmental Authority that may in any way affect the rights of the Governmental Lender, the Funding Lender and/or the servicer under any Borrower Loan Document, the Subsidy Loan Documents or Funding Loan Document.

Section 7.8 Further Assurances. The Borrower shall, at the Borrower's sole cost and expense (except as provided in Section 10.1 hereof), (i) furnish to the servicer and/or the Funding Lender all instruments, documents, boundary surveys, footing or foundation surveys (to the extent that Borrower's construction or renovation of the Project alters any existing building foundations or footprints), certificates, plans and specifications, appraisals, title and other insurance reports and agreements, reasonably requested by the servicer or the Funding Lender for the better and more efficient carrying out of the intents and purposes of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents; (ii) execute and deliver to the servicer and/or the Funding Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Borrower Loan and/or Subsidy Loan, as the servicer and/or the Funding Lender may reasonably require from time to time; (iii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents, as the servicer or the Funding Lender shall reasonably require from time to time; provided, however, with respect to clauses (i)-(iii) above, the Borrower shall not be required to do anything that has the effect of (A) changing the essential economic terms of the Borrower Loan or the Subsidy Loan or (B) imposing upon the Borrower or Guarantor greater personal liability under the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents; and (iv) upon the servicer's or the Funding Lender's request therefor given from time to time after the occurrence of any Potential Default or Event of Default for so long as such Potential Default or Event of Default, as applicable, is continuing pay for (a) reports of UCC, federal tax lien, state tax lien, judgment and pending litigation searches with respect to the Borrower and (b) searches of title to the Project, each such search to be conducted by search firms reasonably designated by the servicer or the Funding Lender in each of the locations reasonably designated by the servicer or the Funding Lender.

Section 7.9 Delivery of Financial Information. After notice to the Borrower of a Secondary Market Disclosure Document, the Borrower shall, concurrently with any delivery to the Funding Lender or the servicer, deliver copies of all financial information required under Article X.

Section 7.10 Environmental Matters. So long as the Borrower owns or is in possession of the Project, the Borrower shall (a) keep the Project in compliance with all Hazardous Materials Laws (as defined in the Mortgage), (b) promptly notify the Funding Lender and/or the servicer if the Borrower shall become aware that any Hazardous Materials (as defined in the Mortgage) are on or near the Project in violation of Hazardous Materials Laws, and (c) commence and thereafter diligently prosecute to completion all remedial work necessary with respect to the Project required under any Hazardous Material Laws, in each case as set forth in the Mortgage or the Agreement of Environmental Indemnification.

Section 7.11 Governmental Lender's and Funding Lender's Fees. The Borrower covenants to pay the reasonable fees and expenses of the Governmental Lender and the Funding Lender or any agents, attorneys, accountants, consultants selected by the Governmental Lender or the Funding Lender to act on its behalf in connection with this Borrower Loan Agreement and the other Borrower Loan Documents, the Subsidy Loan Documents, the Regulatory Agreement and the Funding Loan Documents, including, without limitation, any and all reasonable expenses incurred in connection with the making of the Borrower Loan, Subsidy Loan or in connection with any litigation which may at any time be instituted involving the Borrower Loan, this Borrower Loan Agreement, the other Borrower Loan Documents, the Subsidy Loan Documents, the Regulatory Agreement and the Funding Loan Documents or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its

properties, assets or operations or otherwise in connection with the administration of the foregoing. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan or the Subsidy Loan hereunder or termination of this Borrower Loan Agreement.

Section 7.12 Estoppel Statement. The Borrower shall furnish to the Funding Lender or the servicer for the benefit of the Funding Lender and the servicer within ten (10) Business Days after request by the Funding Lender and/or the servicer, with a statement, duly acknowledged and certified, setting forth (i) the unpaid principal of the Borrower Note, (ii) the applicable Interest Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Borrower Payment Obligations, and (v) that the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are valid, legal and binding obligations of the Borrower and have not been modified or, if modified, giving particulars of such modification, and no Event of Default exists thereunder or specify any Event of Default that does exist thereunder. The Borrower shall use commercially reasonable efforts to furnish to the Funding Lender or the servicer, within 30 days of a request by the Funding Lender or servicer, tenant estoppel certificates from each commercial tenant at the Project in form and substance reasonably satisfactory to the Funding Lender and the servicer; provided that the Funding Lender or the servicer shall not make such requests more frequently than twice in any year.

Section 7.13 Defense of Actions. The Borrower shall appear in and defend any action or proceeding purporting to affect the security for this Borrower Loan Agreement hereunder or under the Borrower Loan Documents and the Funding Loan Documents, and shall pay, in the manner required by Section 2.4 hereof, all costs and expenses, including the cost of evidence of title and actual attorneys' fees, in any such action or proceeding in which Funding Lender may appear. If the Borrower fails to perform any of the covenants or agreements contained in this Borrower Loan Agreement or any other Borrower Loan Document, or if any action or proceeding is commenced that is not diligently defended by the Borrower which affects the Funding Lender's interest in the Project or any part thereof, including eminent domain, code enforcement or proceedings of any nature whatsoever under any Federal or state law, whether now existing or hereafter enacted or amended, then the Funding Lender may make such appearances, disburse such sums and take such action as the Funding Lender deems necessary or appropriate to protect its interests. Such actions include disbursement of attorneys' fees, entry upon the Project to make repairs or take other action to protect the security of the Project, and payment, purchase, contest or compromise of any encumbrance, charge or lien which in the judgment of Funding Lender appears to be prior or superior to the Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents. The Funding Lender shall have no obligation to do any of the above. The Funding Lender may take any such action without notice to or demand upon the Borrower. No such action shall release the Borrower from any obligation under this Borrower Loan Agreement or any of the other Borrower Loan Documents, the Subsidy Loan Documents or Funding Loan Documents. In the event (i) that the Mortgage is foreclosed in whole or in part or that any Borrower Loan Document is put into the hands of an attorney for collection, suit, action or foreclosure, or (ii) of the foreclosure of any mortgage, deed of trust or deed to secure debt prior to or subsequent to the Mortgage or any Borrower Loan Document in which proceeding the Funding Lender is made a party or (iii) of the bankruptcy of the Borrower or an assignment by the Borrower for the benefit of its creditors, the Borrower shall be chargeable with and agrees to pay all costs of collection and defense, including actual attorneys' fees in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, which shall be due and payable together with all required service or use taxes.

Section 7.14 Expenses. The Borrower shall pay all expenses incurred by the Governmental Lender, the Funding Lender and the servicer (if any) (except as provided in Section 10.1 hereof) in connection with the Borrower Loan, the Subsidy Loan and the Funding Loan, including fees and expenses of the Governmental Lender's, the Funding Lender's and the servicer's (if any) reasonable attorneys, environmental, engineering and other consultants, and fees, charges or taxes for the recording or filing of

Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents. The Borrower shall pay or cause to be paid all expenses of the Governmental Lender, the Funding Lender and the servicer (if any) (except as provided in Section 10.1 hereof) in connection with the issuance or administration of the Borrower Loan and the Funding Loan, including audit costs, inspection fees, settlement of condemnation and casualty awards, and premiums for title insurance and endorsements thereto. The Borrower shall, upon request, promptly reimburse the Governmental Lender, the Funding Lender and the servicer (if any) for all amounts expended, advanced or incurred by the Governmental Lender, the Funding Lender and the servicer (if any) to collect the Borrower Note, Subsidy Note or to enforce the rights of the Governmental Lender, the Funding Lender and the servicer (if any) under this Borrower Loan Agreement or any other Borrower Loan Document, the Subsidy Loan Documents or to defend or assert the rights and claims of the Governmental Lender, the Funding Lender and the servicer (if any) under the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents arising out of an Event of Default or with respect to the Project (by litigation or other proceedings) arising out of an Event of Default, which amounts will include all court costs, attorneys' fees and expenses, fees of auditors and accountants, and investigation expenses as may be reasonably incurred by the Governmental Lender, the Funding Lender and the servicer (if any) in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the Date of Disbursement until the date of reimbursement to the Governmental Lender, the Funding Lender and the servicer (if any), all of which shall constitute part of the Borrower Loan and the Funding Loan and shall be secured by the Borrower Loan Documents and the Funding Loan Documents. The obligations and liabilities of the Borrower under this Section 7.14 shall survive the Term of this Borrower Loan Agreement and the exercise by the Governmental Lender, the Funding Lender or the servicer (if any), as the case may be, of any of its rights or remedies under the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, including the acquisition of the Project by foreclosure or a conveyance in lieu of foreclosure. Notwithstanding the foregoing, the Borrower shall not be obligated to pay amounts incurred as a result of the gross negligence or willful misconduct of any other party, and any obligations of the Borrower to pay for environmental inspections or audits will be governed by this Section 7.14.

Section 7.15 Indemnity. In addition to its other obligations hereunder, and in addition to any and all rights of reimbursement, indemnification, subrogation and other rights of Governmental Lender or Funding Lender pursuant hereto and under law or equity, to the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender, the Funding Lender, the servicer (if any), the Beneficiary Parties, and each of their respective officers, directors, employees, attorneys and agents (each an "Indemnified Party"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any nature, kind or character (including, without limitation, actual attorneys' fees, litigation and court costs, amounts paid in settlement (to the extent that the Borrower has consented to such settlement) and amounts paid to discharge judgments) (hereinafter, the "Liabilities") to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to:

(a) The Borrower Loan Documents and the Funding Loan Documents or the execution or amendment thereof or in connection with transactions contemplated thereby, including the sale, transfer or resale of the Borrower Loan or the Funding Loan, except with respect to any Secondary Market Disclosure Document (other than any Borrower's obligations under Article X);

(b) Any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Borrower Loan, the Subsidy Loan, the Funding Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction, installation or rehabilitation of, the Project or any part thereof;

(c) Any lien (other than the Mortgage or Permitted Encumbrance) or charge upon payments by the Borrower to the Governmental Lender or the Funding Lender hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and Other Charges imposed on the Governmental Lender or the Funding Lender in respect of any portion of the Project;

(d) Any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof during the period in which the Borrower is in possession or control of the Project;

(e) The enforcement of, or any action taken by the Governmental Lender or the Funding Lender related to remedies under, this Borrower Loan Agreement, the other Borrower Loan Documents and the Funding Loan Documents;

(f) (Reserved);

(g) Any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower made in the course of Borrower applying for the Borrower Loan or the Funding Loan or contained in any of the Borrower Loan Documents, Subsidy Loan Documents or Funding Loan Documents to which the Borrower is a party;

(h) Any Determination of Taxability;

(i) Any breach (or alleged breach) by Borrower of any representation (of a material fact), warranty or covenant made in or pursuant to this Borrower Loan Agreement or in connection with any written or oral representation, presentation, report, appraisal or other information given or delivered by Borrower, General Partner, Guarantor or their Affiliates to Governmental Lender, the Funding Lender, servicer (if any) or any other Person in connection with Borrower's application for the Borrower Loan and the Funding Loan (including, without limitation, any breach or alleged breach by Borrower of any agreement with respect to the provision of any substitute credit enhancement);

(j) any failure (or alleged failure) by Borrower, the Funding Lender or Governmental Lender to comply with applicable federal and state laws and regulations pertaining to the making of the Borrower Loan and the Funding Loan;

(k) the Project, or the condition, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, construction or rehabilitation of, the Project or any part thereof; or

(l) the use of the proceeds of the Borrower Loan and the Funding Loan,

except in the case of the foregoing indemnification of the Governmental Lender, the Funding Lender or the servicer (if any) or any related Indemnified Party, to the extent such damages are caused by the gross negligence or willful misconduct of such Indemnified Party. Notwithstanding anything herein to the contrary, the Borrower's indemnification obligations to the parties specified in Section 10.1.4 hereof with respect to any securitization or Secondary Market Transaction described in Article X hereof shall be limited to the indemnity set forth in Section 10.1.4 hereof. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party (which notice shall be timely given so as not to materially impair the Borrower's right to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion;

provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. The Borrower shall pay the fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if and only if in such Indemnified Party's good faith judgment (based on the advice of counsel) a conflict of interest exists or could arise by reason of common representation.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Borrower Loan Agreement or the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 7.15 if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Governmental Lender and the Funding Lender have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

The rights of any persons to indemnity hereunder shall survive the final payment or defeasance of the Borrower Loan and the Funding Loan and in the case of the servicer, any resignation or removal. The provisions of this Section 7.15 shall survive the termination of this Borrower Loan Agreement.

Section 7.16 No Warranty of Condition or Suitability by the Governmental Funding Lender. Neither the Governmental Lender nor the Funding Lender makes any warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Borrower's purposes or needs.

Section 7.17 Right of Access to the Project. The Borrower agrees that the Governmental Lender, the Funding Lender, the servicer (if any) and the Construction Consultant, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but no obligation, at all reasonable times during business hours and upon reasonable written notice (which can be in the form of an e-mail), to enter onto the Land (a) to examine, test and inspect the Project without material interference or prejudice to the Borrower's operations and (b) to perform such work in and about the Project made necessary by reason of the Borrower's default under any of the provisions of this Borrower Loan Agreement. The Governmental Lender, the Funding Lender, the servicer (if any), and their duly authorized agents, attorneys, accountants and representatives shall also be permitted, without any obligation to do so, at all reasonable times and upon reasonable notice during business hours, to examine the books and records of the Borrower with respect to the Project.

Section 7.18 Notice of Default. The Borrower will advise the Governmental Lender, the Funding Lender and the servicer (if any) promptly in writing if it becomes aware of the occurrence of any Potential Default or Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 7.19 Covenant with Governmental Lender and Funding Lender. The Borrower agrees that this Borrower Loan Agreement is executed and delivered in part to induce the purchase by others of the Governmental Lender Note and, accordingly, all covenants and agreements of the Borrower contained in this Borrower Loan Agreement are hereby declared to be for the benefit of the Governmental Lender, the Funding Lender and any lawful owner, holder or pledgee of the Borrower Note or the Governmental Lender Note from time to time.

Section 7.20 Obligation of the Borrower to Construct or Rehabilitate the Project. The Borrower shall proceed with reasonable dispatch to construct or rehabilitate, as appropriate, and equip the Project. If the proceeds of the Borrower Loan and the Subsidy Loan, together with the Other Borrower Moneys, available to be disbursed to the Borrower are not sufficient to pay the costs of such construction

or rehabilitation, as appropriate, and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Funding Lender or the servicer (if any) in respect of any such costs or to any diminution or abatement in the repayment of the Borrower Loan or the Subsidy Loan. The Governmental Lender and the Funding Lender shall not be liable to the Borrower or any other person if for any reason the Project is not completed or if the proceeds of the Borrower Loan and the Subsidy Loan are insufficient to pay all costs of the Project. The Governmental Lender and the Funding Lender do not make any representation or warranty, either express or implied, that moneys, if any, which will be made available to the Borrower will be sufficient to complete the Project, and the Governmental Lender and the Funding Lender shall not be liable to the Borrower or any other person if for any reason the Project is not completed.

Section 7.21 Maintenance of Insurance. Borrower will maintain the insurance required by the Mortgage and as required by the Funding Lender as of the Closing Date (unless Funding Lender and Borrower have agreed after the date hereof to modify such insurance requirements, in which case, Borrower will maintain the insurance required by the Funding Lender as of such date).

Section 7.22 Information; Statements and Reports. Borrower shall furnish or cause to be furnished to Governmental Lender and Funding Lender (with a copy to Equity Investor):

(a) Notice of Default. As soon as possible, and in any event not later than five (5) Business Days after the occurrence of any Event of Default or Potential Default, a statement of an Authorized Representative of Borrower describing the details of such Event of Default or Potential Default and any curative action Borrower proposes to take;

(b) Financial Reporting Requirements. The Borrower shall furnish or cause to be furnished to the Governmental Lender and Funding Lender:

(i) As soon as available and in any event within one hundred twenty (120) days after the close of each fiscal year, during the Construction Term and the Permanent Term, commencing with the fiscal year ending [December 31, 202_], audited financial statements of the Borrower in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, examined and reported upon by an independent certified public accounting firm whose members are also members of the American Institute of Certified Public Accountants, or otherwise acceptable to the Lender, prepared in accordance with GAAP consistently applied. If at any time during the Permanent Term the Total Debt Service Coverage Ratio (using actual vacancy of the Project at the time of the determination of Effective Gross Income rather than any different standard set forth in the definition of Effective Gross Income) is less than 1.05 to 1.0, the Borrower shall provide within thirty (30) days after the end of each quarter an operating statement on a cash basis for the Project, certified rent roll and reports detailing the Borrower's efforts to improve operating performance. Quarterly reporting shall continue until such time as the Total Debt Service Coverage Ratio exceeds 1.05 to 1.0 for twelve (12) consecutive months.

(ii) As soon as available and in any event within one hundred twenty (120) days after the close of each applicable fiscal year during the Construction Term commencing with the fiscal year ending [December 31, 202_], audited financial statements of the Construction Manager in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, prepared by an independent certified public accounting firm whose members are also members of the American Institute of Certified Public Accountants or otherwise acceptable to the Lender, prepared in accordance with GAAP consistently applied and if requested by Funding Lender, complete copies of the signed federal income tax returns of Construction Manager, including all schedules, or if on extension, within thirty (30) days of such request.

(iii) As soon as available and in any event within one hundred eighty (180) days after the close of each applicable fiscal year during the Construction Term commencing with the fiscal year ending [June 30, 202_], audited financial statements of Governmental Lender in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, prepared by an independent certified public accounting firm whose members are also members of the American Institute of Certified Public Accountants or otherwise acceptable to the Lender, prepared in accordance with GAAP consistently applied and if requested by Funding Lender, complete copies of the signed federal income tax returns of Governmental Lender, including all schedules, or if on extension, within thirty (30) days of such request.

(iv) As soon as available and in any event within one hundred twenty (120) days after the close of each applicable fiscal year during the Construction Term commencing with the fiscal year ending December 31, 2019, company-prepared financial statements of Guarantor in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, prepared in accordance with GAAP consistently applied and if requested by Funding Lender, complete copies of the signed federal income tax returns of Guarantor, including all schedules, or if on extension, within thirty (30) days of such request.

(v) Beginning thirty (30) days from the end of each calendar month after completion of construction, Borrower will provide a monthly report for the Project including (i) a detailed statement of actual and budgeted income and expense for the month and for the year to date; and (ii) a rent roll identifying unit number, unit type, whether occupied or vacant as of that calendar month end and if occupied, tenants by name, rent, lease start and end dates and concessions, if any.

(vi) Promptly after the commencement thereof, notice of all actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any Guarantor.

(vii) Promptly after the furnishing thereof, copies of any statement or report furnished by the Borrower to any other party pursuant to the terms of any indenture, loan agreement, credit agreement, or similar agreement and not otherwise required to be furnished to the Lender pursuant to any other clause of this paragraph 15.

(viii) Such other information respecting the condition or operations, financial or otherwise, of the Borrower and the Guarantors as the Funding Lender may from time to time reasonably request.

(c) (Reserved);

(d) (Reserved);

(e) Audit Reports. Promptly upon receipt thereof, copies of all reports, if any, submitted to Borrower by independent public accountants in connection with each annual, interim or special audit of the financial statements of Borrower made by such accountants, including the comment letter submitted by such accountants to management in connection with their annual audit;

(f) Notices; Certificates or Communications. Immediately upon giving or receipt thereof, copies of any notices, certificates or other communications delivered at the Project or to Borrower or General Partner naming Governmental Lender or Funding Lender as addressee or which could reasonably be deemed to affect the structural integrity of the Project or the ability of Borrower to perform its obligations under the Borrower Loan Documents and the Funding Loan Documents;

(g) Certification of Non-Foreign Status. Promptly upon request of Funding Lender from time to time, a Certification of Non-Foreign Status, executed on or after the date of such request by Funding Lender;

(h) Compliance Certificates. Together with each of the documents required pursuant to Section 7.22(b) hereof submitted by or on behalf of Borrower, a statement, in the form of Exhibit E attached hereto, and disclosing any noncompliance therewith, and any Event of Default or Potential Default, and describing the status of Borrower's actions to correct such noncompliance, Event of Default or Potential Default, as applicable; and

(i) Other Items and Information. Such other information concerning the assets, business, financial condition, operations, property, prospects and results of operations of Borrower, General Partner, Guarantor or the Project, as Funding Lender or Governmental Lender reasonably requests from time to time.

Section 7.23 Additional Notices. Borrower will, promptly after becoming aware thereof, give notice to Funding Lender and the Governmental Lender of:

(a) any Lien affecting the Project, or any part thereof, other than Liens expressly permitted under this Borrower Loan Agreement;

(b) any Legal Action which is instituted by or against Borrower, General Partner or Guarantor, or any Legal Action which is threatened in writing against Borrower, General Partner or Guarantor which, in any case, if adversely determined, could have a material adverse effect upon the business, operations, properties, prospects, assets, management, ownership or condition (financial or otherwise) of Borrower, General Partner, Guarantor or the Project;

(c) any Legal Action which constitutes an Event of Default or a Potential Default or a default under any other Contractual Obligation to which Borrower, General Partner or Guarantor is a party or by or to which Borrower, General Partner or Guarantor, or any of their respective properties or assets, may be bound or subject, which default would have a material adverse effect on the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable;

(d) any default, alleged default or potential default on the part of Borrower under any of the CC&R's (together with a copy of each notice of default, alleged default or potential default received from any other party thereto);

(e) any notice of default, alleged default or potential default on the part of Borrower received from any tenant or occupant of the Project under or relating to its lease or occupancy agreement (together with a copy of any such notice), if, in the aggregate, notices from at least fifteen percent (15%) of the tenants at the Project have been received by Borrower with respect to, or alleging, the same default, alleged default or potential default;

(f) any change or contemplated change in (i) the location of Borrower's or General Partner's executive headquarters or principal place of business; (ii) the legal, trade, or fictitious business names used by Borrower or General Partner; or (iii) the nature of the trade or business of Borrower; and

(g) any default, alleged default or potential default on the part of any general or limited partner (including, without limitation, General Partner and the Equity Investor) under the Partnership Agreement.

Section 7.24 Compliance with Other Agreements; Legal Requirements.

(a) Borrower shall timely perform and comply with, and shall cause General Partner to timely perform and comply with the covenants, agreements, obligations and restrictions imposed on them under the Partnership Agreement, and Borrower shall not do or permit to be done anything to impair any such party's rights or interests under any of the foregoing.

(b) Borrower will comply and, to the extent it is able, will require others to comply with, all Legal Requirements of all Governmental Authorities having jurisdiction over the Project or construction and/or rehabilitation of the Improvements, and will furnish Funding Lender with reports of any official searches for or notices of violation of any requirements established by such Governmental Authorities. Borrower will comply and, to the extent it is able, will require others to comply, with applicable CC&R's and all restrictive covenants and all obligations created by private contracts and leases which affect ownership, construction, rehabilitation, equipping, fixturing, use or operation of the Project, and all other agreements requiring a certain percentage of the Units to be rented to persons of low or moderate income. The Improvements, when completed, shall comply with all applicable building, zoning and other Legal Requirements, and will not violate any restrictions of record against the Project or the terms of any other lease of all or any portion of the Project. Funding Lender shall at all times have the right to audit, at Borrower's expense, Borrower's compliance with any agreement requiring a certain percentage of the Units to be rented to persons of low or moderate income, and Borrower shall supply all such information with respect thereto as Funding Lender may reasonably request and otherwise cooperate with Funding Lender in any such audit. Without limiting the generality of the foregoing, Borrower shall properly obtain, comply with and keep in effect (and promptly deliver copies to Funding Lender of) all permits, licenses and approvals which are required to be obtained from Governmental Authorities in order to rehabilitate, occupy, operate, market and lease the Project.

Section 7.25 Completion and Maintenance of Project. Borrower shall cause the construction or rehabilitation, as the case may be, of the Improvements, to be prosecuted with diligence and continuity and completed substantially in accordance with the Plans and Specifications, and in accordance with this Borrower Loan Agreement, free and clear of any liens or claims for liens (but without prejudice to Borrower's rights of contest under Section 11.16 hereof) ("Completion") on or before the Completion Date. Borrower shall thereafter maintain the Project as a residential apartment complex in good order and condition, ordinary wear and tear excepted. A maintenance program shall be in place at all times to assure the continuation of good maintenance.

Section 7.26 Fixtures. Borrower shall deliver to Funding Lender, on demand, any contracts, bills of sale, statements, receipted vouchers or agreements under which Borrower or any other Person claims title to any materials, fixtures or articles incorporated into the Improvements.

Section 7.27 Income from Project. Borrower shall first apply all Effective Gross Income to Operating Expenses, including all amounts then required to be paid under the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents and the funding of all sums necessary to meet the Replacement Reserve Fund Requirement, before using or applying such Effective Gross Income for any other purpose. Prior to the Conversion Date, Borrower shall not make or permit any distributions or other payments of Net Operating Income to its partners, shareholders or members, as applicable, in each case, without the written consent of Funding Lender.

Section 7.28 Leases and Occupancy Agreements.

(a) Lease Approval.

(i) Borrower has submitted to Funding Lender, and Funding Lender has approved, Borrower's standard form of tenant lease for use in the Project. Borrower shall not materially modify that approved lease form without Funding Lender's prior Written Consent in each instance, which consent shall not be unreasonably withheld or delayed. Borrower may enter into leases of space within the Improvements (and amendments to such leases) in the ordinary course of business with bona fide third party tenants without Funding Lender's prior Written Consent if:

(A) The lease is a Permitted Lease;

(B) Borrower, acting in good faith following the exercise of due diligence, has determined that the tenant meets requirements imposed under any applicable CC&R and is financially capable of performing all of its obligations under the lease; and

(C) The lease conforms to the Pro Forma Rent Schedule and reflects an arm's-length transaction, subject to the requirement that the Borrower comply with any applicable CC&R.

(ii) If any Event of Default has occurred and is continuing, Funding Lender may make written demand on Borrower to submit all future leases for Funding Lender's approval prior to execution. Borrower shall comply with any such demand by Funding Lender.

(iii) No approval of any lease by Funding Lender shall be for any purpose other than to protect Funding Lender's security for the Borrower Loan and to preserve Funding Lender's rights under the Borrower Loan Documents and the Funding Loan Documents. No approval by Funding Lender shall result in a waiver of any default of Borrower. In no event shall any approval by Funding Lender of a lease be a representation of any kind with regard to the lease or its enforceability, or the financial capacity of any tenant or guarantor.

(b) Landlord's Obligations. Borrower shall perform all obligations required to be performed by it as landlord under any lease affecting any part of the Project or any space within the Improvements.

(c) Leasing and Marketing Agreements. Except as may be contemplated in the Management Agreement with Borrower's Manager, Borrower shall not without the approval of Funding Lender enter into any leasing or marketing agreement and Funding Lender reserves the right to approve the qualifications of any marketing or leasing agent.

Section 7.29 Project Agreements and Licenses. To the extent not heretofore delivered to Funding Lender, Borrower will furnish to Funding Lender, as soon as available, true and correct copies of all Project Agreements and Licenses and the Plans and Specifications, together with assignments thereof to Funding Lender and consents to such assignments where required by Funding Lender, all in form and substance acceptable to Funding Lender. Neither Borrower nor General Partner has assigned or granted, or will assign or grant, a security interest in any of the Project Agreements and Licenses, other than to Funding Lender.

Section 7.30 Payment of Debt Payments. In addition to its obligations under the Borrower Note, Borrower will (i) duly and punctually pay or cause to be paid all principal of and interest on any Debt of Borrower as and when the same become due on or before the due date; (ii) comply with and perform all

conditions, terms and obligations of other instruments or agreements evidencing or securing such Debt; (iii) promptly inform Funding Lender of any default, or anticipated default, under any such note, agreement, instrument; and (iv) forward to Funding Lender a copy of any notice of default or notice of any event that might result in default under any such note, agreement, instrument, including Liens encumbering the Project, or any portion thereof, which have been subordinated to the Mortgage (regardless of whether or not permitted under this Borrower Loan Agreement).

Section 7.31 ERISA. Borrower will comply, and will cause each of its ERISA Affiliates to comply, in all respects with the provisions of ERISA.

Section 7.32 Patriot Act Compliance. Borrower shall use its good faith and commercially reasonable efforts to comply with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Project, including those relating to money laundering and terrorism. Funding Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Project, including those relating to money laundering and terrorism. In the event that Borrower fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then Funding Lender may, at its option, cause Borrower to comply therewith and any and all costs and expenses incurred by Funding Lender in connection therewith shall be secured by the Mortgage and shall be immediately due and payable.

Section 7.33 Funds from Equity Investor. Borrower shall cause the Equity Investor to fund all installments of the Equity Contributions in the amounts and at the times subject and according to the terms of the Partnership Agreement to the extent such funds are required to complete the construction of the Improvements.

Section 7.34 Tax Covenants. The Borrower further represents, warrants and covenants as follows:

(a) **General.** The Borrower shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the exclusion of interest on the Governmental Lender Note from gross income (as defined in Section 61 of the Code), for federal income tax purposes and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof and that the Borrower will take such action or actions, including amendment of this Borrower Loan Agreement, the Mortgage and the Regulatory Agreement, as may be necessary, in the opinion of Tax Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service applicable to the Governmental Lender Note, the Funding Loan or affecting the Project. Capitalized terms used in this Section 7.34 shall have the respective meanings assigned to them in the Regulatory Agreement or, if not defined therein, in the Funding Loan Agreement. With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that, prior to the final maturity of the Governmental Lender Note, unless it has received and filed with the Governmental Lender and the Funding Lender a Tax Counsel No Adverse Effect Opinion (other than with respect to interest on any portion of the Governmental Lender Note for a period during which such portion of the Governmental Lender Note is held by a "substantial user" of any facility financed with the proceeds of the Governmental Lender Note or a "related person," as such terms are used in Section 147(a) of the Code), the Borrower will comply with this Section 7.34.

(b) Use of Proceeds. The use of the net proceeds of the Funding Loan at all times will satisfy the following requirements:

(i) Limitation on Net Proceeds. At least 95% of the net proceeds of the Funding Loan (within the meaning of the Code) actually expended shall be used to pay Qualified Project Costs that are costs of a “qualified residential rental project” (within the meaning of Sections 142(a)(7) and 142(d) of the Code) and property that is “functionally related and subordinate” thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations).

(ii) Limit on Costs of Funding. The proceeds of the Funding Loan will be expended for the purposes set forth in this Borrower Loan Agreement and in the Funding Loan Agreement and no portion thereof in excess of two percent (2%) of the proceeds of the Funding Loan, within the meaning of Section 147(g) of the Code, will be expended to pay Costs of Funding of the Funding Loan.

(iii) Prohibited Facilities. The Borrower shall not use or permit the use of any proceeds of the Funding Loan or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(iv) Limitation on Land. Less than 25 percent of the net proceeds of the Funding Loan actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein, nor will any portion of the net proceeds of the Funding Loan be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(v) Limitation on Existing Facilities. No portion of the net proceeds of the Funding Loan will be used for the acquisition of any existing property or an interest therein unless (A) the first use of such property is pursuant to such acquisition or (B) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15 percent of the cost of acquiring such building financed with the proceeds of the Funding Loan (with respect to structures other than buildings, this clause shall be applied by substituting 100 percent for 15 percent). For purposes of the preceding sentence, the term “rehabilitation expenditures” shall have the meaning set forth in Section 147(d)(3) of the Code.

(vi) Accuracy of Information. The information furnished by the Borrower and used by the Governmental Lender in preparing its certifications with respect to Section 148 of the Code and the Borrower’s information statement pursuant to Section 149(e) of the Code is accurate and complete as of the date of origination of the Funding Loan.

(vii) Limitation of Project Expenditures. The acquisition, construction, improvement, equipping and furnishing of the Project were not commenced (within the meaning of Section 144(a) of the Code) prior to the 60th day preceding the adoption of the declaration of official intent of the Governmental Lender with respect to the Project on [_____], and no obligation for which reimbursement will be sought from proceeds of the Funding Loan relating to the acquisition, construction, improvement, equipping and furnishing of the Project was paid or incurred prior to 60 days prior to such date, except for permissible “preliminary expenditures”, which include architectural, engineering surveying, soil testing, reimbursement bond issuance and similar costs incurred prior to the commencement of construction, rehabilitation or acquisition of the Project.

(viii) Qualified Costs. The Borrower hereby represents, covenants and warrants that the proceeds of the Funding Loan shall be used or deemed used exclusively to pay costs which (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code and that for the greatest number of buildings the proceeds of the Funding Loan shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Funding Loan for the purpose of complying with Section 42(h)(4)(B) of the Code; provided however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Funding Lender nor the Governmental Lender shall have any obligation to enforce this statement nor shall they incur any liability to any person, including without limitation, the Borrower, the partners of the Borrower, any other affiliate of the Borrower or the holders or payees of the Funding Loan and the Borrower Note for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or event of default under this Borrower Loan Agreement or the Funding Loan Agreement.

(c) Limitation on Maturity. The average maturity of the Governmental Lender Note does not exceed 120 percent of the average reasonably expected economic life of the Project to be financed by the Funding Loan, weighted in proportion to the respective cost of each item comprising the property the cost of which has been or will be financed, directly or indirectly, with the Net Proceeds of the Funding Loan. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the Closing Date for the Funding Loan or (B) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of property.

(d) No Arbitrage. The Borrower shall not take any action or omit to take any action with respect to the Gross Proceeds of the Funding Loan or of any amounts expected to be used to pay the principal thereof or the interest thereon which, if taken or omitted, respectively, would cause the Governmental Lender Note to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code. Except as provided in the Funding Loan Agreement and this Borrower Loan Agreement, the Borrower shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under this Agreement or the Borrower Note relating to the Funding Loan, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Funding Loan, unless the Borrower has obtained in each case a Tax Counsel No Adverse Effect Opinion with respect to such action, a copy of which shall be provided to the Governmental Lender and the Funding Lender. The Borrower shall not, at any time prior to the final maturity of the Funding Loan, invest or cause any Gross Proceeds to be invested in any investment (or to use Gross Proceeds to replace money so invested), if, as a result of such investment the Yield of all investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such investment exceeds the Yield of the Funding Loan to the Maturity Date, except as permitted by Section 148 of the Code and Regulations thereunder or as provided in the Regulatory Agreement. The Borrower further covenants and agrees that it will comply with all applicable requirements of said Section 148 and the rules and Regulations thereunder relating to the Funding Loan and the interest thereon, including the employment of a Rebate Analyst acceptable to the Governmental Lender and Funding Lender at all times from and after the Closing Date for the calculation of rebatable amounts to the United States Treasury Department. The Borrower agrees that it will cause the Rebate Analyst to calculate the rebatable amounts not later than forty-five days after the fifth anniversary of the Closing Date and each five years thereafter and not later than forty-five days after the final Computation Date and agrees that the Borrower will pay all costs associated

therewith. The Borrower agrees to provide evidence of the employment of the Rebate Analyst satisfactory to the Governmental Lender and Funding Lender.

(e) No Federal Guarantee. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Borrower shall not take or omit to take any action which would cause the Governmental Lender Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(f) Representations. The Borrower has supplied or caused to be supplied to Tax Counsel all documents, instruments and written information requested by Tax Counsel, and all such documents, instruments and written information supplied by or on behalf of the Borrower at the request of Tax Counsel, which have been reasonably relied upon by Tax Counsel in rendering its opinion with respect to the exclusion from gross income of the interest on the Governmental Lender Note for federal income tax purposes, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein in order to make the information provided therein, in light of the circumstances under which such information was provided, not misleading, and the Borrower is not aware of any other pertinent information which Tax Counsel has not requested.

(g) Qualified Residential Rental Project. The Borrower hereby covenants and agrees that the Project will be operated as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, on a continuous basis during the longer of the Qualified Project Period (as defined in the Regulatory Agreement) or any period during which any portion of the Governmental Lender Note remains outstanding, to the end that the interest on the Governmental Lender Note shall be excluded from gross income for federal income tax purposes. The Borrower hereby covenants and agrees, continuously during the Qualified Project Period, to comply with all the provisions of the Regulatory Agreement.

(h) Information Reporting Requirements. The Borrower will comply with the information reporting requirements of Section 149(e)(2) of the Code requiring certain information regarding the Governmental Lender Note to be filed with the Internal Revenue Service within prescribed time limits.

(i) Funding Loan Not a Hedge Bond. The Borrower covenants and agrees that not more than 50% of the proceeds of the Funding Loan will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of Section 149(f)(3)(A)(ii) of the Code, and the Borrower reasonably expects that at least 85% of the spendable proceeds of the Funding Loan will be used to carry out the governmental purposes of the Funding Loan within the three-year period beginning on the Closing Date.

(j) Termination of Restrictions. Although the parties hereto recognize that, subject to the provisions of the Regulatory Agreement, the provisions of this Borrower Loan Agreement shall terminate in accordance with Section 10.14 hereof, the parties hereto recognize that pursuant to the Regulatory Agreement, certain requirements, including the requirements incorporated by reference in this Section, may continue in effect beyond the term hereof.

(k) Public Approval. The Borrower covenants and agrees that the proceeds of the Funding Loan will not be used in a manner that deviates in any substantial degree from the Project described in the written notice of a public hearing regarding the Funding Loan.

(l) 40/60 Test Election. The Borrower and the Governmental Lender hereby elect to apply the requirements of Section 142(d)(1)(B) to the Project. The Borrower hereby represents, covenants and agrees, continuously during the Qualified Project Period, to comply with all the provisions of the Regulatory Agreement.

(m) **Modification of Tax Covenants.** Subsequent to the origination of the Funding Loan and prior to its payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Funding Loan Agreement), this Section 7.34 hereof may not be amended, changed, modified, altered or terminated except as permitted herein and by the Funding Loan Agreement and with the Written Consent of the Governmental Lender and the Funding Lender. Anything contained in this Agreement or the Funding Loan Agreement to the contrary notwithstanding, the Governmental Lender, the Funding Lender and the Borrower hereby agree to amend this Borrower Loan Agreement and, if appropriate, the Funding Loan Agreement and the Regulatory Agreement, to the extent required, in the opinion of Tax Counsel, in order for interest on the Governmental Lender Note to remain excludable from gross income for federal income tax purposes. The party requesting such amendment, which may include the Funding Lender, shall notify the other parties to this Borrower Loan Agreement of the proposed amendment and send a copy of such requested amendment to Tax Counsel. After review of such proposed amendment, Tax Counsel shall render to the Funding Lender and the Governmental Lender an opinion as to the effect of such proposed amendment upon the includability of interest on the Governmental Lender Note in the gross income of the recipient thereof for federal income tax purposes. The Borrower shall pay all necessary fees and expenses incurred with respect to such amendment. The Borrower, the Governmental Lender and, where applicable, the Funding Lender per written instructions from the Governmental Lender shall execute, deliver and, if applicable, the Borrower shall file of record, any and all documents and instruments, including without limitation, an amendment to the Regulatory Agreement, with a file-stamped copy to the Funding Lender, necessary to effectuate the intent of this Section 7.34, and the Borrower and the Governmental Lender hereby appoint the Funding Lender as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Governmental Lender, as is applicable, any such document or instrument (in such form as may be approved by and upon instruction of Tax Counsel) if either the Borrower or the Governmental Lender defaults in the performance of its obligation under this Section 7.34; provided, however, that the Funding Lender shall take no action under this Section 7.34 without first notifying the Borrower or the Governmental Lender, as is applicable, of its intention to take such action and providing the Borrower or the Governmental Lender, as is applicable, a reasonable opportunity to comply with the requirements of this Section 7.34.

The Borrower irrevocably authorizes and directs the Funding Lender and any other agent designated by the Governmental Lender to make payment of such amounts from funds of the Borrower, if any, held by the Funding Lender, or any agent of the Governmental Lender or the Funding Lender. The Borrower further covenants and agrees that, pursuant to the requirements of Treasury Regulation Section 1.148-1(b), it (or any related person contemplated by such regulations) will not purchase interests in the Funding Loan in an amount related to the amount of the Borrower Loan.

Section 7.35 Payment of Rebate.

(a) **Arbitrage Rebate.** The Borrower agrees to take all steps necessary to compute and pay any rebatable arbitrage relating to the Funding Loan or the Governmental Lender Note in accordance with Section 148(f) of the Code including:

(i) **Delivery of Documents and Money on Computation Dates.** The Borrower will deliver to the Funding Lender or servicer, within 55 days after each Computation Date:

(A) a statement, signed by the Borrower, stating the Rebate Amount as of such Computation Date;

(B) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any

“previous rebate payments” made to the United States (as that term is used in Section 1.148-3(f)(1) of the Regulations), or (2) if such Computation Date is the final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such final Computation Date, less any “previous rebate payments” made to the United States (as that term is used in Section 1.148-3(f)(1) of the Regulations); and

(C) an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

(ii) Correction of Underpayments. If the Borrower shall discover or be notified as of any date that any payment paid to the United States Treasury pursuant to this Section 7.35 of an amount described in Section 7.35(a)(i)(A) or (B) above shall have failed to satisfy any requirement of Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Borrower, the Governmental Lender or the Funding Lender), the Borrower shall (1) pay to the Funding Lender or servicer (for deposit to the Rebate Fund) and cause the Funding Lender or servicer to pay to the United States Treasury from the Rebate Fund the underpayment of the Rebate Amount, together with any penalty and/or interest due, as specified in Section 1.148-3(h) of the Regulations, within 175 days after any discovery or notice and (2) deliver to the Funding Lender or servicer an Internal Revenue Service Form 8038-T completed as of such date. If such underpayment of the Rebate Amount, together with any penalty and/or interest due, is not paid to the United States Treasury in the amount and manner and by the time specified in the Regulations, the Borrower shall take such steps as are necessary to prevent the Governmental Lender Note from becoming an arbitrage bond within the meaning of Section 148 of the Code.

(iii) Records. The Borrower shall retain all of its accounting records relating to the funds established under this Borrower Loan Agreement and all calculations made in preparing the statements described in this Section 7.35 for at least six years after the later of the final maturity of the Governmental Lender Note or the date the Funding Loan is retired in full.

(iv) Costs. The Borrower agrees to pay all of the fees and expenses of a nationally recognized Tax Counsel, the Rebate Analyst a certified public accountant and any other necessary consultant employed by the Borrower or the Funding Lender in connection with computing the Rebate Amount.

(v) No Diversion of Rebateable Arbitrage. The Borrower will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Funding Loan which is not purchased at Fair Market Value or includes terms that the Borrower would not have included if the Funding Loan were not subject to Section 148(f) of the Code.

(vi) Modification of Requirements. If at any time during the term of this Agreement, the Governmental Lender, the Funding Lender or the Borrower desires to take any action which would otherwise be prohibited by the terms of this Section 7.35, such Person shall be permitted to take such action if it shall first obtain and provide to the other Persons named herein a Tax Counsel No Adverse Effect Opinion with respect to such action.

(b) Rebate Fund. The Funding Lender or servicer shall establish and hold a separate fund designated as the “Rebate Fund.” The Funding Lender or servicer shall deposit or transfer to the credit of

the Rebate Fund each amount delivered to the Funding Lender or servicer by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto.

(c) Within 15 days after each receipt or transfer of funds to the Rebate Fund, the Funding Lender or servicer shall withdraw from the Rebate Fund and pay to the United States of America the entire balance of the Rebate Fund.

(d) All payments to the United States of America pursuant to this Section 7.35 shall be made by the Funding Lender or servicer for the account and in the name of the Governmental Lender and shall be paid through the United States Mail (return receipt requested or overnight delivery), addressed to the appropriate Internal Revenue Service Center and accompanied by the appropriate Internal Revenue Service forms (such forms to be provided to the Funding Lender or servicer by the Borrower or the Rebate Analyst as set forth in this Section 7.35).

(e) The Borrower shall preserve all statements, forms and explanations received delivered pursuant this Section 7.35 and all records of transactions in the Rebate Fund until six years after the retirement of the Funding Loan.

(f) Moneys and securities held in the Rebate Fund shall not be deemed funds of the Funding Lender or of the Governmental Lender and are not pledged or otherwise subject to any security interest in favor of the Funding Lender to secure the Funding Loan or any other obligations.

(g) Notwithstanding anything to the contrary in this Borrower Loan Agreement, no payment shall be made to the United States if the Borrower shall furnish to the Governmental Lender and the Funding Lender an opinion of Tax Counsel to the effect that such payment is not required under Section 148(d) and (f) of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Governmental Lender Note. In such event, the Borrower shall be entitled to withdraw funds from the Rebate Fund to the extent the Borrower shall provide a Tax Counsel No Adverse Effect Opinion to the Governmental Lender and the Funding Lender with respect to such withdrawal.

(h) Notwithstanding the foregoing, the computations and payments of rebate amounts referred to in this Section 7.35 need not be made to the extent that neither the Governmental Lender nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on a Tax Counsel No Adverse Effect Opinion, a copy of which shall be provided to the Funding Lender.

Section 7.36 Covenants under Funding Loan Agreement. The Borrower will fully and faithfully perform all the duties and obligations which the Governmental Lender has covenanted and agreed in the Funding Loan Agreement to cause the Borrower to perform and any duties and obligations which the Borrower is required in the Funding Loan Agreement to perform. The Borrower shall not be obligated to perform any duty or undertaking of the Governmental Lender.

Section 7.37 Continuing Disclosure Agreement. The Borrower and the Funding Lender shall enter into the Continuing Disclosure Agreement to provide for the continuing disclosure of information about the Funding Loan, the Borrower and other matters as specifically provided for in such agreement.

Section 7.38 Subsidy Loan Documents and the Related Documents. Borrower shall comply in all respects with all of the covenants contained in: (i) the Subsidy Loan Documents and (ii) the Related Documents.

Section 7.39 Intentionally Omitted.

Section 7.40 Operating Reserve. The Operating Reserve shall be established upon the earlier of (i) the date that the final payment of the all Equity Contributions have been funded and (ii) the Conversion Date, and shall be maintained through the Permanent Term. The Operating Reserve shall be maintained at the Funding Lender and will be utilized upon the prior consent of the Equity Investor. Commencing on the Conversion Date and continuing during the Permanent Term, any amounts utilized for the Operating Reserve with the consent of the Equity Investor will be replenished from available cash flow after making any required payments under the Borrower Note and hereunder. The Funding Lender shall receive notice of all disbursements from the Operating Reserve. Borrower assigns to Funding Lender as additional security for the payment of the Borrower Loan and the observance and performance by Borrower of the terms, covenants and provisions of the Borrower Loan Documents, all right, title and interest which Borrower may now have or may hereafter acquire in and to the Operating Reserve.

Section 7.41 Environmental Reports. Borrower shall deliver to Funding Lender all environmental reports generated during the term of the Borrower Loan and Funding Loan within fifteen (15) days of substantial completion of the Improvements. Such reports may include, but are not limited to, asbestos close out reports, lead based paint abatement close out reports (including air clearance sampling), tank removal reports, if applicable, historic fill/soil removal reports, if applicable, an asbestos operation and maintenance plan, if applicable, and a final construction monitoring report.

Section 7.42 Intentionally Omitted.

Section 7.43 Ground Lease. Borrower shall remain in compliance with the Ground Lease and any other documents executed in connection with the Ground Lease beyond any applicable notice and cure period.

Section 7.44 [AHAP. Borrower shall comply with all conditions of the AHAP Contract and execute all documents necessary for receipt of the HAP Contract beyond any applicable notice and cure period.]

ARTICLE VIII

NEGATIVE COVENANTS

Borrower hereby covenants and agrees as follows, which covenants shall remain in effect so long as any Payment Obligation or other obligation of Borrower under any of the other Borrower Loan Documents, the Subsidy Loan Documents or the Funding Loan Documents remains outstanding or unperformed. Borrower covenants and agrees that it will not, directly or indirectly:

Section 8.1 Management Agreement. Without first obtaining the Funding Lender's prior Written Consent, enter into the Management Agreement, and thereafter the Borrower shall not, without the Funding Lender's prior Written Consent (which consent shall not be unreasonably withheld) and subject to the Regulatory Agreement: (i) surrender, terminate or cancel the Management Agreement or otherwise replace the Manager or enter into any other management agreement; (ii) reduce or consent to the reduction of the term of the Management Agreement; (iii) increase or consent to the increase of the amount of any charges under the Management Agreement; (iv) otherwise modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect any of its rights and remedies under, the Management Agreement; or (v) suffer or permit the occurrence and continuance of a default beyond any applicable cure period under the Management Agreement (or any successor management agreement) if such default permits the Manager to terminate the Management Agreement (or such successor management agreement).

Section 8.2 **Dissolution.** Dissolve or liquidate, in whole or in part, merge with or consolidate into another Person.

Section 8.3 **Change in Business or Operation of Property.** Enter into any line of business other than the ownership and operation of the Project, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business and activities incidental or related thereto or otherwise cease to operate the Project as a multifamily property or terminate such business for any reason whatsoever (other than temporary cessation in connection with construction or rehabilitation, as appropriate, of the Project).

Section 8.4 **Debt Cancellation.** Cancel or otherwise forgive or release any claim or debt owed to the Borrower by a Person, except for adequate consideration or in the ordinary course of the Borrower's business in its reasonable judgment.

Section 8.5 **Assets.** Purchase or own any real property or personal property incidental thereto other than the Project.

Section 8.6 **Transfer of the Project or Interest in the Borrower.**

(a) Except as hereinafter provided in this Section 8.6, the following Transfers shall be prohibited: (i) Transfer all or any part of the Project or any interest in the Project; (ii) Transfer of Control in the Borrower; (iii) Transfer of Control in any entity which, directly or indirectly through one or more intermediate entities, Controls the Borrower; (iv) a Transfer of all or any part of a Guarantor's ownership interest in the Borrower, or in any other entity which owns, directly or indirectly through one or more intermediate entities, an ownership interest in the Borrower (other than a Transfer of an aggregate beneficial ownership interest in the Borrower of forty-nine percent (49%) or less of such Guarantor's original ownership interest in the Borrower and which does not otherwise result in a Transfer of the Guarantor's Control in such intermediate entities or in the Borrower); (v) if the Guarantor is an entity (A) Transfer of Control in the Guarantor or (B) Transfer of Control in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling interest in the Guarantor; (vi) if the Borrower or a Guarantor is a trust, the termination or revocation of such trust (unless the trust is terminated as a result of a death of an individual trustor, in which event the Funding Lender must be notified and such Borrower or Guarantor must be replaced with an individual or entity acceptable to the Funding Lender, in accordance with the provisions of Section (c) below, within ninety (90) days of such death); (vii) the merger, dissolution, liquidation or consolidation of (A) the Borrower, (B) any Guarantor that is a legal entity, or (C) any legal entity that Controls the Borrower or any Guarantor that is an entity; (viii) a conversion of the Borrower from one type of legal entity into another type of legal entity (including the conversion of a general partnership interest into a limited partnership interest and the conversion of a limited partnership into a limited liability company), whether or not there is a Transfer, if such conversion results in a change in the assets, liabilities, legal rights or obligations of the Borrower (or of a Guarantor or General Partner of the Borrower, as applicable) by operation of law or otherwise; and (ix) Transfer the economic benefits or right to cash flows attributable to the ownership interest in the Borrower and/or, if a Guarantor is an entity, a Guarantor, separate from the Transfer or the underlying ownership interest, unless the Transfer of the underlying ownership interest would otherwise not be prohibited by this Borrower Loan Agreement.

(b) Notwithstanding the provisions of Section 8.6(a) above to the contrary, the following Transfers will be permitted (each a "**Permitted Transfer**"):

- (i) a Transfer to which the Funding Lender has consented;

(ii) after the date hereof, a Transfer by the Equity Investor of any of the Equity Investor's interest in the Borrower to an affiliated entity controlled by or under the common control with, or a fund managed by, RBC Tax Credit Equity, LLC, provided that the Equity Investor shall provide Funding Lender with the identity of all partners or members of the entity (the "**Fund**") to which the Equity Investor's interest were transferred. All information received in connection with the foregoing shall be kept confidential by the Funding Lender, unless the Funding Lender is required by law, regulation or legal process to disclose such information;

(iii) prior to the earlier to occur of (x) the Conversion Date, or (y) the payment in full of all of the Equity Contributions, a substitution of any partner or member in the Fund for any one or more other Persons, provided, that at least fifteen (15) days prior to the date of such substitution, the Equity Investor shall notify the Lender in writing of the substitution and the identity of the substituted party. The equity Investor or an Affiliate thereof shall in any event remain the general partner (or manager, if applicable) of the Fund (or of the Equity Investor if other than the Fund). The partners or members owning in aggregate not less than 75% of the ownership interests in the Fund (whether as a result of the original syndication or after a transfer) will be investment grade (defined as BBB- or better rated by S&P or similar rating agency) financial institutions or corporations, or wholly-owned subsidiaries of such entities, or otherwise approved by Funding Lender in writing. All information received in connection with the foregoing shall be kept confidential by the Funding Lender, unless the Funding Lender is required by law, regulation or legal process to disclose such information;

(iv) until the fifteenth (15th) anniversary of the Conversion Date, provided the Funding Lender has received information with respect to the Transfer in advance thereof, including the identity of the substitute general partner or managing member and any other information reasonably requested by the Funding Lender, the removal of the General Partner for cause as set forth under Section 6.05 of the Partnership Agreement so long as any substitute general partner or managing member is a single purpose Affiliate of RBC Tax Credit Equity, LLC; provided further, however, under no circumstances shall a Permitted Transfer be interpreted to mean, include or permit a transfer to a Disqualified Person or to any other Person who is Controlled by or under common Control with a Disqualified Person;

(v) except as provided in Section 8.6(a)(vi) above, a Transfer that occurs by devise, descent or by operation of law upon the death of a natural person;

(vi) the grant of leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;

(vii) a Transfer of obsolete or worn out personal property or fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Borrower Loan Documents otherwise consented to by the Funding Lender;

(viii) the grant of an easement, servitude or restrictive covenant provided that, before the grant, the Funding Lender has determined that the easement, servitude or restrictive covenant will not materially affect the operation or value of the Project or the Funding Lender's interest in the Project and the Borrower pays to the Funding Lender, within ten (10) days of demand, all costs and expenses incurred by the Funding Lender in connection with reviewing the Borrower's request;

(ix) the creation of a tax lien or mechanic's lien or judgment lien against the Project which is bonded off, released of record or otherwise remediated to the Funding Lender's satisfaction within forty five (45) days of the date of creation; and

(x) the execution, delivery and recordation of and any Transfer pursuant to a purchase option and/or right of first refusal by and between the Borrower, the General Partner and/or their respective Affiliate executed on the Closing Date and in connection with the Partnership Agreement; provided, that the same is subject, subordinate and inferior to the liens and security interests of the Borrower Loan Documents and that the exercise of any rights thereunder shall be subject to the Borrower Loan Documents.

(c) After the Conversion Date and until the fifteenth (15th) anniversary of the Conversion Date, the Funding Lender will consent to a Transfer that would otherwise violate this Section 8.6 conditioned on the satisfaction of each of the following requirements prior to Transfer:

(i) the submission to the Funding Lender of all information required by the Funding Lender to make the determination required by this Section 8.6(c);

(ii) no Event of Default shall have occurred and is continuing;

(iii) the transferee meets all of the eligibility, credit, management and other standards (including any standards with respect to previous relationships between the Funding Lender and the transferee and the organization of the transferee) customarily applied by the Funding Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by the Funding Lender in exchange for such additional conditions as the Funding Lender may require;

(iv) the Project at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by the Funding Lender at the time of the proposed Transfer to the approval of properties in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by the Lender in exchange for such additional conditions as the Funding Lender may require;

(v) if the transferor or any other Person has obligations under any Borrower Loan Document, the execution by the transferee or one or more individuals or entities acceptable to the Funding Lender of an assumption agreement (including, if applicable, the acknowledgment of the Guarantors with respect to any exceptions to non-recourse guaranty) acceptable to the Funding Lender and that, among other things, requires the transferee to perform all of the obligations of the transferor or such Person set forth in the Borrower Loan Document, and may require that the transferee comply with any provisions of the Mortgage or any other Borrower Loan Document which previously may have been waived by the Funding Lender;

(vi) if a guaranty has been executed and delivered in connection with the Note, or any of the other Borrower Loan Documents, the Borrower causes one or more individuals or entities acceptable to the Funding Lender to execute and deliver to the Funding Lender a substitute guaranty in form and substance acceptable to the Funding Lender;

(vii) the Funding Lender has received all of the following: (A) a non-refundable Review Fee and Transfer Fee, provided, however, no Transfer Fee will be charged if the General Partner has been removed for cause or for Transfers by the Equity Investor and (B) the Borrower's

reimbursement of all the Funding Lender's out-of-pocket costs (including reasonable attorney's fees) incurred in reviewing the Transfer request; and

(viii) the Borrower has agreed to the Funding Lender's conditions to approve such Transfer, which may include, but are not limited to: (A) providing additional collateral, guarantees or other credit support to mitigate any risk concerning the proposed transferee or the performance or condition of the Mortgaged Property and (B) amending the Borrower Loan Documents to delete any specifically negotiated terms or provisions previously granted for the exclusive benefit of the transferor and/or modify (or require if not in place) the Replacement Reserve Agreement and covenants contained in the Loan Borrower Loan Documents which may be personal to the transferor or otherwise not capable of being complied with by the transferee.

Section 8.7 Debt. Other than as expressly approved in writing by the Funding Lender, create, incur or assume any indebtedness for borrowed money (including subordinate debt) whether unsecured or secured by all or any portion of the Project or interest therein or in the Borrower or any partner thereof (including subordinate debt) other than (i) the Borrower Payment Obligations, (ii) secured indebtedness incurred pursuant to or permitted by the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents, (iii) trade payables incurred in the ordinary course of business, and (iv) an unsecured developer fee and unsecured loans made by the partners of the Borrower, provided that such debt is fully subordinate to the Borrower Loan and paid out of excess cash flow only and which shall be suspended during an Event of Default.

Section 8.8 Assignment of Rights. Without the Funding Lender's prior Written Consent, attempt to assign the Borrower's rights or interest under any Borrower Loan Document or Funding Loan Document in contravention of any Borrower Loan Document or Funding Loan Document.

Section 8.9 Principal Place of Business. Change its principal place of business without providing 30 days' prior Written Notice of the change to the Funding Lender and the Servicer (if any).

Section 8.10 Partnership Agreement. Without the Funding Lender's prior Written Consent (which consent shall not be unreasonably withheld) surrender, terminate, cancel, modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect, any of its rights or remedies under the Partnership Agreement; provided, however, that consent of the Funding Lender is not required for an amendment of the Partnership Agreement resulting from, or to effectuate a Permitted Transfer so long as a copy of such amendment is promptly provided to the Funding Lender.

Section 8.11 ERISA. Maintain, sponsor, contribute to or become obligated to contribute to, or suffer or permit any ERISA Affiliate of the Borrower to, maintain, sponsor, contribute to or become obligated to contribute to, any Plan, or permit the assets of the Borrower to become "plan assets," whether by operation of law or under regulations promulgated under ERISA.

Section 8.12 No Hedging Arrangements. Without the prior Written Consent of the Funding Lender or unless otherwise required by this Borrower Loan Agreement, the Borrower will not enter into or guarantee, provide security for or otherwise undertake any form of contractual obligation with respect to any interest rate swap, interest rate cap or other arrangement that has the effect of an interest rate swap or interest rate cap or that otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

Section 8.13 Loans and Investments; Distributions; Related Party Payments.

(a) Without the prior Written Consent of Funding Lender in each instance, Borrower shall not (i) lend money, make investments, or extend credit, other than in the ordinary course of its business as presently conducted; or (ii) repurchase, redeem or otherwise acquire any interest in Borrower, any Affiliate or any other Person owning an interest, directly or indirectly, in Borrower, or make any distribution, in cash or in kind, in respect of interests in Borrower, any Affiliate or any other Person owning an interest, directly or indirectly, in Borrower (except to the extent permitted by the Mortgage and subject to the limitations set forth in Section 7.27 hereof).

(b) Other than as set forth in this Section 8.13(b), disbursements for fees and expenses of any Affiliate of Borrower and developer fees (however characterized) will only be paid to the extent that such fee or expense bears a proportionate relationship to the percentage of completion of the construction or rehabilitation, as the case may be, of the Improvements, as determined by the Construction Consultant and only after deducting Retainage. Disbursements for the developer fee shall be as follows, (i) \$[_____] on the Closing Date, (ii) \$[_____] upon satisfaction of the conditions to the payment of the Second Capital Contribution (as such term is defined in the Partnership Agreement), (iii) \$[_____] upon satisfaction of the conditions to the payment of the Third Capital Contribution (as such term is defined in the Partnership Agreement), (iv) \$[_____] upon satisfaction of the conditions to the payment of the Fourth Capital Contribution (as such term is defined in the Partnership Agreement), of which \$[_____] shall be “deferred developer fee.” During the Permanent Term if the Total Debt Service Coverage Ratio is less than 1.05 to 1.0 for a period of six (6) consecutive calendar months no distributions to any Affiliate of Borrower shall be permitted until such time as the Total Debt Service Coverage Ratio exceeds 1.05 to 1.0 for twelve (12) consecutive months.

Section 8.14 Amendment of Related Documents or CC&R’s. Without the prior Written Consent of Funding Lender in each instance, except as provided herein, Borrower shall not enter into or consent to any amendment, termination, modification, or other alteration of any of the Related Documents or any of the CC&R’s (including, without limitation, those contained in the Borrower Loan Agreement, any Architect’s Agreement or Engineer’s Contract, any Construction Contract, and any Management Agreement, but excluding the Partnership Agreement, which is covered by Section 8.10), or any assignment, transfer, pledge or hypothecation of any of its rights thereunder, if any.

Section 8.15 Personal Property. Borrower shall not install materials, personal property, equipment or fixtures subject to any security agreement or other agreement or contract wherein the right is reserved to any Person other than Borrower to remove or repossess any such materials, equipment or fixtures, or whereby title to any of the same is not completely vested in Borrower at the time of installation, without Funding Lender’s prior Written Consent; provided, however, that this Section 6.15 shall not apply to laundry equipment or other equipment that is owned by a third-party vendor and commercial tenants.

Section 8.16 Fiscal Year. Without Funding Lender’s Written Consent, which shall not be unreasonably withheld, neither Borrower nor General Partner shall change the times of commencement or termination of its fiscal year or other accounting periods, or change its methods of accounting, other than to conform to GAAP.

Section 8.17 Publicity. Neither Borrower nor General Partner shall issue any publicity release or other communication to any print, broadcast or on-line media, post any sign or in any other way identify Funding Lender or any of its Affiliates as the source of the financing provided for herein, without the prior written approval of Funding Lender in each instance (provided that nothing herein shall prevent Borrower or General Partner from identifying Funding Lender or its Affiliates as the source of such financing to the extent that Borrower or General Partner are required to do so by disclosure requirements applicable to

publicly held companies). Borrower and General Partner agree that no sign shall be posted on the Project in connection with the construction or rehabilitation of the Improvements unless such sign identifies JPMorgan Chase Bank, N.A. and its affiliates as the source of the financing provided for herein or Funding Lender consents to not being identified on any such sign.

Section 8.18 Subsidy Loan Documents and the Related Documents. Without Funding Lender's prior Written Consent the Borrower shall not surrender, terminate, cancel, modify, change, supplement, alter amend, waive release, assign, transfer, pledge or hypothecate any of its rights or remedies under any of the (i) the Subsidy Loan Documents and (ii) the Related Documents (except for amendments of the Partnership Agreement as set forth in Section 8.10).

Section 8.19 Ground Lease. Without Funding Lender's prior written consent, Borrower will not surrender, terminate, cancel, modify, change, supplement, alter, amend, waive, release, assign, transfer, pledge or hypothecate any of its rights or remedies under the Ground Lease.

ARTICLE IX

DEFAULTS

Section 9.1 Events of Default. Each of the following events shall constitute an "Event of Default" under the Borrower Loan Agreement:

(a) failure by the Borrower to pay any Borrower Loan Payment in the manner and on the date such payment is due in accordance with the terms and provisions of the Borrower Note, or the failure by the Borrower to pay any Additional Borrower Payment on the date such payment is due in accordance with the terms and provisions of the Borrower Note, the Mortgage, this Borrower Loan Agreement or any other Borrower Loan Document;

(b) failure by or on behalf of the Borrower to pay when due any amount (other than as provided in subsection (a) above or elsewhere in this Section 9.1) required to be paid by the Borrower under this Borrower Loan Agreement, the Borrower Note, the Mortgage or any of the other Borrower Loan Documents or Funding Loan Documents, including a failure to repay any amounts that have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings, which default remains uncured for a period of five (5) days after Written Notice thereof shall have been given to the Borrower;

(c) an Event of Default, as defined by the Borrower Note, the Mortgage or any other Borrower Loan Document, occurs (or to the extent an "Event of Default" is not defined in any other Borrower Loan Document, any default or breach by the Borrower or any Guarantor of its obligations, covenants, representations or warranties under such Borrower Loan Document occurs and any applicable notice and/or cure period has expired);

(d) any representation or warranty made by any of the Borrower, the Guarantor or the General Partner in any Borrower Loan Document, any Subsidy Loan Document or Funding Loan Document to which it is a party, or in any report, certificate, financial statement or other instrument, agreement or document furnished by the Borrower, the Guarantor or the General Partner in connection with any Borrower Loan Document, any Subsidy Loan Document or Funding Loan Document, shall be false or misleading in any material respect as of the Closing Date;

(e) the Borrower shall make a general assignment for the benefit of creditors, or shall generally not be paying its debts as they become due;

(f) the Borrower Controlling Entity shall make a general assignment for the benefit of creditors, shall generally not be paying its debts as they become due, or an Act of Bankruptcy with respect to the Borrower Controlling Entity shall occur, unless in all cases the Borrower Controlling Entity is replaced with a substitute Borrower Controlling Entity that satisfies the requirements of the Mortgage; which, in the case of a non-profit Borrower Controlling Entity, may be replaced within sixty (60) days of such event with another non-profit Borrower Controlling Entity acceptable to the Funding Lender, in which case no Event of Default shall be deemed to have occurred;

(g) the Borrower fails to satisfy the Conditions to Conversion on or prior to the Conversion Date, as may be extended pursuant to the terms hereof;

(h) any portion of Borrower Deferred Equity to be made by Equity Investor and required for (i) completion of the construction or rehabilitation, as the case may be, of the Improvements or (ii) the operation of the Improvements, is not received in accordance with the Partnership Agreement after the expiration of all applicable notice and cure periods;

(i) the failure by Borrower or any ERISA Affiliate of Borrower to comply in all respects with ERISA, or the occurrence of any other event (with respect to the failure of Borrower or any ERISA Affiliate to pay any amount required to be paid under ERISA or with respect to the termination of, or withdrawal of Borrower or any ERISA Affiliate from, any employee benefit or welfare plan subject to ERISA) the effect of which is to impose upon Borrower (after giving effect to the tax consequences thereof) for the payment of any amount in excess of Fifty Thousand Dollars (\$50,000);

(j) a Bankruptcy Event shall occur with respect to Borrower, any General Partner or Guarantor, or there shall be a change in the assets, liabilities or financial position of any such Person which has a material adverse effect upon the ability of such Person to perform such Person's obligations under this Borrower Loan Agreement, any other Borrower Loan Document or any Related Document, provided that any such Bankruptcy Event or any such change with respect to a Guarantor shall not constitute an Event of Default: (i) if such Bankruptcy Event occurs on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such Bankruptcy Event occurs prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(k) all or any part of the property of Borrower is attached, levied upon or otherwise seized by legal process, and such attachment, levy or seizure is not quashed, stayed or released: (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) Business Days of the date thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements, within sixty (60) days of the date thereof;

(l) subject to Section 11.16 hereof, Borrower fails to pay when due any monetary obligation (other than pursuant to this Borrower Loan Agreement) to any Person in excess of \$50,000, and such failure continues beyond the expiration of any applicable cure or grace periods;

(m) any material litigation or proceeding is commenced before any Governmental Authority against or affecting Borrower, any General Partner or Guarantor, or property of Borrower, any General Partner or Guarantor, or any part thereof, and such litigation or proceeding is not defended diligently and in good faith by Borrower, any General Partner or Guarantor, as applicable, provided that any such material litigation or proceeding against a Guarantor shall not constitute an Event of Default: (i) if such material litigation is commenced on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such material litigation or proceeding is commenced prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(n) a final judgment or decree for monetary damages in excess of \$50,000 or a monetary fine or penalty (not subject to appeal or as to which the time for appeal has expired) is entered against Borrower, any General Partner or Guarantor by any Governmental Authority, and such judgment, decree, fine or penalty is not paid and discharged or stayed (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) Business Days of the date thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements within thirty (30) days after entry thereof (or such longer period as may be permitted for payment by the terms of such judgment, fine or penalty), provided that any such judgment, decree, fine or penalty against a Guarantor shall not constitute an Event of Default: (i) if such judgment, decree, fine or penalty is entered on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such judgment, decree, fine or penalty is entered prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(o) a final, un-appealable and uninsured money judgment or judgments, in favor of any Person other than a Governmental Authority, in the aggregate sum of \$50,000 or more shall be rendered against Borrower, any General Partner or Guarantor, or against any of their respective assets, that is not paid, superseded or stayed (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) Business Days of the date thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements within thirty (30) days after entry thereof (or such longer period as may be permitted for payment by the terms of such judgment); or any levy of execution, writ or warrant of attachment, or similar process, is entered or filed against Borrower, any General Partner or Guarantor, or against any of their respective assets (that is likely to have a material adverse effect upon the ability of Borrower, any General Partner or Guarantor to perform their respective obligations under this Borrower Loan Agreement, any other Borrower Loan Document or any Related Document), and such judgment, writ, warrant or process shall remain unsatisfied, unsettled, unvacated, unhanded and unstayed (i) prior to completion of the construction or rehabilitation, as the case may be, of the Improvements, within ten (10) Business Days of the date thereof or (ii) after completion of the construction or rehabilitation, as the case may be, of the Improvements for a period of thirty (30) days, or in any event later than five (5) Business Days prior to the date of any proposed sale thereunder, provided that any such judgment, levy, writ, warrant, attachment or similar process against a Guarantor shall not constitute an Event of Default: (i) if such judgment, levy, writ, warrant, attachment or similar process is

entered on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such judgment, levy, writ, warrant, attachment or similar process is entered prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(p) the inability of Borrower to satisfy any condition for the receipt of a Disbursement hereunder (other than an Event of Default specifically addressed in this Section 9.1) and failure to resolve the situation to the satisfaction of Funding Lender for a period in excess of thirty (30) days after Written Notice from Funding Lender unless (i) such inability shall have been caused by Force Majeure with such delay not to exceed sixty (60) days; (ii) Borrower shall have made adequate provision, acceptable to Funding Lender, for the protection of materials stored on-site or off-site and for the protection of the Improvements to the extent then constructed against deterioration and against other loss or damage or theft; (iii) Borrower shall furnish to Funding Lender satisfactory evidence that such cessation of construction or rehabilitation will not adversely affect or interfere with the rights of Borrower under labor and materials contracts or subcontracts relating to the construction or operation of the Improvements; and (iv) Borrower shall furnish to Funding Lender satisfactory evidence that the completion of the construction or rehabilitation of the Improvements can be accomplished by the Completion Date;

(q) the construction or rehabilitation of the Improvements is abandoned or halted prior to completion for any period of thirty (30) consecutive days, unless (i) such inability shall have been by Force Majeure with such delay not to exceed sixty (60) days; (ii) Borrower shall have made adequate provision, acceptable to Funding Lender, for the protection of materials stored on-site or off-site and for the protection of the Improvements to the extent then constructed against deterioration and against other loss or damage or theft; (iii) Borrower shall furnish to Funding Lender satisfactory evidence that such cessation of construction or rehabilitation will not adversely affect or interfere with the rights of Borrower under labor and materials contracts or subcontracts relating to the construction or operation of the Improvements; and (iv) Borrower shall furnish to Funding Lender satisfactory evidence that the completion of the construction or rehabilitation of the Improvements can be accomplished by the Completion Date;

(r) Borrower shall fail to keep in force and effect any material permit, license, consent or approval required under this Borrower Loan Agreement, or any Governmental Authority with jurisdiction over the Mortgaged Property or the Project orders or requires that construction or rehabilitation of the Improvements be stopped, in whole or in part, or that any required approval, license or permit be withdrawn or suspended, and the order, requirement, withdrawal or suspension remains in effect for a period of thirty (30) days;

(s) failure by Borrower to Substantially Complete the construction or rehabilitation, as the case may be, of the Improvements in accordance with this Borrower Loan Agreement on or prior to the Completion Date, unless (i) such failure shall have been caused by conditions beyond the control of Borrower, including, without limitation, acts of God or the elements, fire, strikes and disruption of shipping; (ii) Borrower shall have made adequate provision, acceptable to Funding Lender, for the protection of materials stored on-site or off-site and for the protection of the Improvements to the extent then constructed against deterioration and against other loss or damage or theft; and (iii) Borrower shall furnish to Funding Lender satisfactory evidence that such cessation of construction or rehabilitation will not adversely affect or interfere with the rights of Borrower under labor and materials contracts or subcontracts relating to the construction or operation of the Improvements;

(t) failure by Borrower to complete the construction or rehabilitation, as the case may be, of the Improvements in accordance with this Borrower Loan Agreement on or prior to the Completion Date unless (i) such failure shall have been caused by Force Majeure with such delay not to exceed sixty (60) days; (ii) Borrower shall have made adequate provision, acceptable to Funding Lender, for the protection of materials stored on-site or off-site and for the protection of the Improvements to the extent then constructed against deterioration and against other loss or damage or theft; and (iii) Borrower shall furnish to Funding Lender satisfactory evidence that such cessation of construction or rehabilitation will not adversely affect or interfere with the rights of Borrower under labor and materials contracts or subcontracts relating to the construction or operation of the Improvements;

(u) any failure by the Borrower to perform or comply with any of its obligations under this Borrower Loan Agreement (other than those specified in this Section 10.1), as and when required, which continues for a period of thirty (30) days after written notice of such failure by Funding Lender or the servicer on its behalf to the Borrower; provided, however, if such failure is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such failure, such additional period not to exceed sixty (60) days. However, no such notice or grace period shall apply to the extent such failure could, in the Funding Lender's judgment, absent immediate exercise by the Funding Lender of a right or remedy under this Borrower Loan Agreement, result in harm to the Funding Lender, impairment of the Borrower Note or this Borrower Loan Agreement or any security given under any other Borrower Loan Document;

(v) any failure by the Borrower to perform or comply with any of its obligations under in all respects with all of the covenants contained in: (i) the Subsidy Loan Documents and (ii) the Related Documents;

(w) any failure by the Borrower to comply with Sections 7.40 (Operating Reserve), 7.41 (Environmental Reports), 7.42 (Tax Abatement Ordinance), and 8.18 (Subsidy Loan Documents and the Related Documents);

(x) the occurrence of a default under the Ground Lease and/or any other documents executed in connection with the Ground Lease; and

(y) [the occurrence of a default under the AHAP Contract or, after being entered into, the HAP Contract.]

Section 9.2 Remedies.

Section 9.2.1 Acceleration. Upon the occurrence of an Event of Default (other than an Event of Default described in paragraph (e), (f) or (i) of Section 9.1) and at any time and from time to time thereafter, as long as such Event of Default continues to exist, in addition to any other rights or remedies available to the Governmental Lender pursuant to the Borrower Loan Documents, the Subsidy Loan Documents or at law or in equity, the Funding Lender may, take such action, without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Borrower Payment Obligations to be immediately due and payable (including, without limitation, the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Borrower Note to be immediately due and payable), without notice or demand, and apply such payment of the Borrower Payment Obligations in any manner and in any order determined by Funding Lender, in Funding Lender's sole and absolute discretion; and upon any Event of Default described

in paragraph (e), (f) or (i) of Section 8.1, the Borrower Payment Obligations shall become immediately due and payable, without notice or demand, and the Borrower hereby expressly waives any such notice or demand, anything contained in any Borrower Loan Document to the contrary notwithstanding. Notwithstanding anything herein to the contrary, enforcement of remedies hereunder and under the Funding Loan Agreement shall be controlled by the Funding Lender.

Section 9.2.2 Remedies Cumulative. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to the Funding Lender against the Borrower under the Borrower Loan Documents, Subsidy Loan Documents or at law or in equity may be exercised by the Funding Lender, at any time and from time to time, whether or not all or any of the Borrower Payment Obligations shall be declared due and payable, and whether or not the Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Borrower Loan Documents. Any such actions taken by the Funding Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Funding Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Funding Lender permitted by law, equity or contract or as set forth in the Borrower Loan Documents or the Subsidy Loan Documents. Without limiting the generality of the foregoing, the Borrower agrees that if an Event of Default is continuing, all Liens and other rights, remedies or privileges provided to the Funding Lender shall remain in full force and effect until they have exhausted all of its remedies, the Mortgage has been foreclosed, the Project has been sold and/or otherwise realized upon satisfaction of the Borrower Payment Obligations or the Borrower Payment Obligations has been paid in full. To the extent permitted by applicable law, nothing contained in any Borrower Loan Document shall be construed as requiring the Funding Lender to resort to any portion of the Project for the satisfaction of any of the Borrower Payment Obligations in preference or priority to any other portion, and the Funding Lender may seek satisfaction out of the entire Project or any part thereof, in its absolute discretion.

Notwithstanding any provision herein to the contrary, the Governmental Lender and the Funding Lender agrees that any cure of any default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 9.2.3 Delay. No delay or omission to exercise any remedy, right, power accruing upon an Event of Default, or the granting of any indulgence or compromise by the Funding Lender shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Potential Default or Event of Default shall not be construed to be a waiver of any subsequent Potential Default or Event of Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Borrower Loan Agreement, the Funding Lender reserves the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Mortgage to the extent necessary to foreclose on the Project, the Rents, the funds or any other collateral.

Section 9.2.4 Lender's Right to Perform the Obligations. If the Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Borrower Loan Documents or the Subsidy Loan Documents, then while any Event of Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Funding Lender may have because of such Event of Default, the Funding Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower, and shall have the right to enter upon the Mortgaged Property for such purpose and to take all such action thereon and with respect to the Project or the Mortgaged Property as it may deem necessary or appropriate. If the Funding Lender shall elect to pay any sum due with reference to the Project or the Mortgaged Property, the Funding Lender

may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Borrower Loan Documents or the Subsidy Loan Documents, the Funding Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. All sums paid by the Funding Lender pursuant to this Section 9.2.4, and all other sums expended by the Funding Lender, to which it shall be entitled to be indemnified, together with interest thereon at the Delinquent Interest rate from the date of such payment or expenditure until paid, shall constitute additions to all amounts payable with respect to the Loan, shall be secured by the Borrower Loan Documents or the Subsidy Loan Documents and shall be paid by the Borrower to the Funding Lender upon demand.

Section 9.2.5 Set Off; Waiver of Set Off. Upon the occurrence of an Event of Default, Funding Lender may, at any time and from time to time, without notice to Borrower or any other Person (any such notice being expressly waived), set off and appropriate and apply (against and on account of any obligations and liabilities of Borrower to Funding Lender arising under or connected with this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents, irrespective of whether or not Funding Lender shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured), and Borrower hereby grants to Funding Lender, as security for the Borrower Payment Obligations, a security interest in, any and all deposits (general or special, including but not limited to Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Debt at any time held or owing by Funding Lender to or for the credit or the account of Borrower.

Section 9.2.6 Assumption of Obligations. In the event that the Funding Lender or its assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under this Borrower Loan Agreement, the Borrower Note, the Regulatory Agreement, and any other Borrower Loan Documents and Funding Loan Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

Section 9.2.7 Accounts Receivable. Upon the occurrence of an Event of Default, Funding Lender shall have the right, to the extent permitted by law, to impound and take possession of books, records, notes and other documents evidencing Borrower's accounts, accounts receivable and other claims for payment of money, arising in connection with the Project, and to make direct collections on such accounts, accounts receivable and claims for the benefit of Funding Lender.

Section 9.2.8 Defaults under Other Documents. Funding Lender shall have the right to cure any default under any of the Related Documents and the Subsidy Loan Documents but shall have no obligation to do so.

Section 9.2.9 Abatement of Disbursements. Notwithstanding any provision to the contrary herein or any of the other Borrower Loan Documents or the Funding Loan Documents, Funding Lender's obligation to make further Disbursements shall abate (i) during the continuance of any Potential Default, provided that Borrower shall have the opportunity to demonstrate to Funding Lender's satisfaction during the applicable grace, notice or cure period that such Potential Default will either be cured by the making of such Disbursement or will not otherwise result in an Event of Default, (ii) after any disclosure to Funding Lender of any fact or circumstance that, absent such disclosure, would cause any representation or warranty of Borrower to fail to be true and correct in all material respects, unless and until Funding Lender elects to

permit further Disbursements notwithstanding such event or circumstance; and (iii) upon the occurrence of any Event of Default.

Section 9.2.10 Completion of Improvements. Upon the occurrence of any Event of Default, Funding Lender shall have the right to cause an independent contractor selected by Funding Lender to enter into possession of the Project and to perform any and all work and labor necessary for the completion of the Project substantially in accordance with the Plans and Specifications, if any, and to perform Borrower's obligations under this Borrower Loan Agreement. All sums expended by Funding Lender for such purposes shall be deemed to have been disbursed to and borrowed by Borrower and shall be secured by the Security Documents.

Section 9.2.11 Right to Directly Enforce. Notwithstanding any other provision hereof to the contrary, the Funding Lender shall have the right to directly enforce all rights and remedies hereunder with or without involvement of the Governmental Lender, provided that only the Governmental Lender may enforce the Unassigned Rights. In the event that any of the provisions set forth in this Section 9.2.11 are inconsistent with the covenants, terms and conditions of the Mortgage, the covenants, terms and conditions of the Mortgage shall prevail.

Section 9.2.12 Power of Attorney. Effective upon the occurrence of an Event of Default, and continuing until and unless such Event of Default is cured or waived, Borrower hereby constitutes and appoints Funding Lender, or an independent contractor selected by Funding Lender, as its true and lawful attorney-in-fact with full power of substitution, for the purposes of completion of the construction of the Project and performance of Borrower's obligations under this Borrower Loan Agreement in the name of Borrower, and hereby empowers said attorney-in-fact to do any or all of the following upon the occurrence and continuation of an Event of Default (it being understood and agreed that said power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked until full payment and performance of all obligations under this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents):

(a) to use any of the funds of Borrower or General Partner, including any balance of the Borrower Loan, as applicable, and any funds which may be held by Funding Lender for Borrower (including all funds in all deposit accounts in which Borrower has granted to Funding Lender a security interest), for the purpose of effecting completion of the construction or rehabilitation, as the case may be, of the Improvements, in the manner called for by the Plans and Specifications;

(b) to make such additions, changes and corrections in the Plans and Specifications as shall be necessary or desirable to complete the Project in substantially the manner contemplated by the Plans and Specifications;

(c) to employ any contractors, subcontractors, agents, architects and inspectors required for said purposes;

(d) to employ attorneys to defend against attempts to interfere with the exercise of power granted hereby;

(e) to pay, settle or compromise all existing bills and claims which are or may be liens against the Improvements or the Project, or may be necessary or desirable for the completion of the construction or rehabilitation, as the case may be, of the Improvements, or clearance of objections to or encumbrances on title;

(f) to execute all applications and certificates in the name of Borrower, which may be required by any other construction contract;

(g) to prosecute and defend all actions or proceedings in connection with the Project and to take such action, require such performance and do any and every other act as is deemed necessary with respect to the completion of the construction or rehabilitation, as the case may be, of the Improvements, which Borrower might do on its own behalf;

(h) to let new or additional contracts to the extent not prohibited by their existing contracts;

(i) to employ watchmen and erect security fences to protect the Project from injury;

(j) to take such action and require such performance as it deems necessary under any of the bonds or insurance policies to be furnished hereunder, to make settlements and compromises with the sureties or insurers thereunder, and in connection therewith to execute instruments of release and satisfaction; and

(k) to take such action as it deems necessary to cause Borrower to cause the Conditions to Conversion to be satisfied.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default, rights and remedies may be pursued pursuant to the terms of the Borrower Loan Documents, the Subsidy Loan Documents and the Funding Loan Documents. The parties hereto acknowledge that, among the possible outcomes to the pursuit of such remedies, is the situation where the Funding Lender assignees or designees become the owner of the Project and assume the obligations identified above, and the Borrower Note, the Borrower Loan, the Subsidy Note, the Subsidy Loan and the other Borrower Loan Documents, the Subsidy Loan Documents and Funding Loan Documents remain outstanding. In addition, Borrower expressly agrees that any powers of attorney granted by Borrower subsequent to the date hereof shall expressly state that the powers of attorney provided for in this Borrower Loan Agreement shall continue to be in full force and effect until this Borrower Loan Agreement is terminated.

Section 9.2.13 Investor Cure Rights. Notwithstanding anything contained herein or in any of the Borrower Loan Documents to the contrary, the Equity Investor shall have the right, but not the obligation, to cure any default under any Borrower Loan Document within the same time periods, if any, afforded Borrower to cure such default. Funding Lender shall provide written notice of such defaults to Equity Investor. Equity Investor shall have the same time period to cure any default provided to Borrower. Funding Lender hereby agrees that any cure of such a default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

ARTICLE X

SPECIAL PROVISIONS

Section 10.1 Sale of Note and Secondary Market Transaction.

Section 10.1.1 Cooperation. Subject to the restrictions of Section 2.4 of the Funding Loan Agreement, at the Funding Lender's or the servicer's request (to the extent not already required to be provided by the Borrower under this Borrower Loan Agreement), the Borrower shall use reasonable efforts to satisfy the market standards to which the Funding Lender or the servicer customarily adheres or which may be reasonably required in the marketplace or by the Funding Lender or the servicer in connection with

one or more sales or assignments of all or a portion of the Borrower Loan or participations therein or securitizations of single or multi-class securities (the “Securities”) secured by or evidencing ownership interests in all or a portion of the Borrower Loan (each such sale, assignment and/or securitization, a “Secondary Market Transaction”); provided that neither the Governmental Lender nor the Borrower shall not incur any third party or other out-of-pocket costs and expenses in connection with a Secondary Market Transaction, including the costs associated with the delivery of any Provided Information or any opinion required in connection therewith, and all such costs shall be paid by the Funding Lender or the servicer, and shall not materially modify the Governmental Lender’s or the Borrower’s rights or obligations. Without limiting the generality of the foregoing, the Borrower shall, so long as the Borrower Loan is still outstanding:

(a) (i) provide such financial and other information with respect to the Borrower Loan, and with respect to the Project, the Borrower, the Manager, the contractor of the Project or the Borrower Controlling Entity, (ii) provide financial statements, audited, if available, relating to the Project with customary disclaimers for any forward looking statements or lack of audit, and (iii), at the expense of the Funding Lender or the servicer, perform or permit or cause to be performed or permitted such site inspection, appraisals, surveys, market studies, environmental reviews and reports (Phase I’s and, if appropriate, Phase II’s), engineering reports and other due diligence investigations of the Project, as may be reasonably requested from time to time by the Funding Lender or the servicer or the Rating Agencies or as may be necessary or appropriate in connection with a Secondary Market Transaction or Exchange Act requirements (the items provided to the Funding Lender or the servicer pursuant to this paragraph (a) being called the “Provided Information”), together, if customary, with appropriate verification of and/or consents to the Provided Information through letters of auditors or opinions of counsel of independent attorneys acceptable to the Funding Lender or the servicer and the Rating Agencies;

(b) make such representations and warranties as of the closing date of any Secondary Market Transaction with respect to the Project, the Borrower, the Borrower Loan Documents and the Funding Loan Documents reasonably acceptable to the Funding Lender or the servicer, consistent with the facts covered by such representations and warranties as they exist on the date thereof; and

(c) execute such amendments to the Borrower Loan Documents and the Funding Loan Documents to accommodate such Secondary Market Transaction so long as such amendment does not affect the material economic terms of the Borrower Loan Documents and the Funding Loan Documents and is not otherwise adverse to the Borrower in its reasonable discretion.

Section 10.1.2 Use of Information. The Borrower understands that certain of the Provided Information and the required records may be included in disclosure documents in connection with a Secondary Market Transaction, including a prospectus or private placement memorandum (each, a “Secondary Market Disclosure Document”), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies and service providers or other parties relating to the Secondary Market Transaction. In the event that the Secondary Market Disclosure Document is required to be revised, the Borrower shall cooperate, subject to Section 10.1.1(c) hereof, with the Funding Lender and the servicer (if any) in updating the Provided Information or required records for inclusion or summary in the Secondary Market Disclosure Document or for other use reasonably required in connection with a Secondary Market Transaction by providing all current information pertaining to the Borrower and the Project necessary to keep the Secondary Market Disclosure Document accurate and complete in all material respects with respect to such matters. The Borrower hereby consents to any and all such disclosures of such information.

Section 10.1.3 Borrower Obligations Regarding Secondary Market Disclosure Documents. In connection with a Secondary Market Disclosure Document, the Borrower shall provide, or in the case of

a Borrower-engaged third party such as the Manager, cause it to provide, information reasonably requested by the Funding Lender pertaining to the Borrower, the Project or such third party (and portions of any other sections reasonably requested by the Funding Lender pertaining to the Borrower, the Project or the third party). The Borrower shall, if requested by the Funding Lender and the servicer (if any), certify in writing that the Borrower has carefully examined those portions of such Secondary Market Disclosure Document, pertaining to the Borrower, the Project or the Manager, and such portions (and portions of any other sections reasonably requested and pertaining to the Borrower, the Project or the Manager) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; provided that the Borrower shall not be required to make any representations or warranties regarding any Provided Information obtained from a third party except with respect to information it provided to such parties. Furthermore, the Borrower hereby indemnifies the Funding Lender and the servicer (if any) for any Liabilities to which any such parties may become subject to the extent such Liabilities arise out of or are based upon the use of the Provided Information in a Secondary Market Disclosure Document.

Section 10.1.4 Borrower Indemnity Regarding Filings. In connection with filings under the Exchange Act or the Securities Act, the Borrower shall (i) indemnify Funding Lender and the underwriter group for any securities (the “Underwriter Group”) for any Liabilities to which Funding Lender, the servicer (if any) or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information of a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in the light of the circumstances under which they were made not misleading and (ii) reimburse the Funding Lender, the servicer (if any), the Underwriter Group and other indemnified parties listed above for any legal or other expenses reasonably incurred by the Funding Lender, the servicer (if any) or the Underwriter Group in connection with defending or investigating the Liabilities; provided that the Borrower shall not provide any indemnification regarding any Provided Information obtained from unrelated third parties except with respect to information it provided to such parties.

Section 10.1.5 Indemnification Procedure. Promptly after receipt by an indemnified party under Sections 10.1.3 and 10.1.4 hereof of notice of the commencement of any action for which a claim for indemnification is to be made against the Borrower, such indemnified party shall notify the Borrower in writing of such commencement, but the omission to so notify the Borrower will not relieve the Borrower from any liability that it may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the Borrower. In the event that any action is brought against any indemnified party, and it notifies the Borrower of the commencement thereof, the Borrower will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by Written Notice delivered to the indemnified party promptly after receiving the aforesaid notice of commencement, to assume the defense thereof with counsel selected by the Borrower and reasonably satisfactory to such indemnified party in its sole discretion. After notice from the Borrower to such indemnified party under this Section 10.1.5, the Borrower shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnified party shall settle or compromise any claim for which the Borrower may be liable hereunder without the prior Written Consent of the Borrower.

Section 10.1.6 Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 10.1.4 hereof is for any reason held to be unenforceable by an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 10.1.4 hereof, the Borrower shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 10(f) of the Securities Act) shall be entitled to contribution from any Person not guilty

of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the indemnified parties and the Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. The parties hereto hereby agree that it may not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Borrower Loan Document or Funding Loan Document (a "notice") shall be deemed to be given and made when delivered by hand, by recognized overnight delivery service, confirmed facsimile transmission (provided any facsimile or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day), or five (5) calendar days after deposited in the United States mail, registered or certified, postage prepaid, with return receipt requested, addressed as follows:

If to Borrower:	Lawnhill Phase 3 Limited Partnership 40 Clinton Avenue Stamford, Connecticut 06901 Attention: Jonathan Gottlieb Facsimile: (203) 977-8522
and with a copy to:	Hoopes Morganthaler Rausch & Scaramozza LLC CityPlace II 185 Asylum Street Hartford, Connecticut 06103 Attention: Melanie S. Rausch, Esq. Facsimile: (860) 275-6819
and a copy to:	RBC Tax Credit Equity, LLC 600 Superior Avenue Suite 2300 Cleveland, Ohio 44114 Attention: President and General Counsel
and a copy to:	Nixon Peabody LLP Exchange Place 53 State Street Boston, Massachusetts 02109 Attention: Roger W. Holmes
If to the Governmental Lender:	Housing Authority of the City of Stamford c/o Charter Oaks Communities 40 Clinton Avenue Stamford, Connecticut 06901 Attention: Chief Executive Officer/Executive Director Facsimile: (203) 977-8522

and with a copy to:

Robinson & Cole LLP
280 Trumbull Street
Hartford, Connecticut 06103-3597
Attention: David M. Panico, Esq.
Facsimile: (860) 275-8299

If to the Funding Lender:

JPMorgan Chase Bank, N.A.
Community Development Banking
237 Park Avenue, 6th Floor
New York, New York 10017
Attention: Alisha Ozeri
Facsimile: (866) 580- 3274

and with a copy to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Aviva Yakren
Facsimile: (212) 839-5599

Any party may change such party's address for the notice or demands required under this Borrower Loan Agreement by providing written notice of such change of address to the other parties by written notice as provided herein. Each party hereto will use reasonable efforts to send copies of any notices to the other parties at the addresses hereinabove set forth; provided, however, that the failure to deliver such copy or copies shall have no consequence whatsoever to the effectiveness of any notice made to Borrower.

Section 11.2 Brokers and Financial Advisors. The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Borrower Loan, other than those disclosed to the Funding Lender and whose fees shall be paid by the Borrower pursuant to separate agreements. The Borrower and the Funding Lender shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any Person that such Person acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 11.2 shall survive the expiration and termination of this Borrower Loan Agreement and the repayment of the Borrower Payment Obligations.

Section 11.3 Survival. This Borrower Loan Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Governmental Lender of the Borrower Loan and the execution and delivery to the Governmental Lender of the Borrower Note and the assignment of the Borrower Note to the Funding Lender, and shall continue in full force and effect so long as all or any of the Borrower Payment Obligations is unpaid. All the Borrower's covenants and agreements in this Borrower Loan Agreement shall inure to the benefit of the respective legal representatives, successors and assigns of the Governmental Lender, the Funding Lender and the servicer (if any).

Section 11.4 Preferences. The Governmental Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by the Borrower to any portion of the Borrower Payment Obligations. To the extent the Borrower makes a payment to the Governmental Lender or the Funding Lender, or the Governmental Lender or the Funding Lender receives proceeds of any collateral, which is in whole or part subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Borrower

Payment Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by the Governmental Lender or the Funding Lender.

Section 11.5 Waiver of Notice. The Borrower shall not be entitled to any notices of any nature whatsoever from the Funding Lender or the Funding Lender except with respect to matters for which this Borrower Loan Agreement or any other Borrower Loan Document specifically and expressly provides for the giving of notice by the Funding Lender or the servicer, as the case may be, to the Borrower and except with respect to matters for which the Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. The Borrower hereby expressly waives the right to receive any notice from the Funding Lender or the servicer, as the case may be, with respect to any matter for which no Borrower Loan Document specifically and expressly provides for the giving of notice by the Funding Lender or the servicer to the Borrower.

Section 11.6 Offsets, Counterclaims and Defenses. The Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the Funding Lender or the servicer with respect to a Borrower Loan Payment. Any assignee of Funding Lender's interest in and to the Borrower Loan Documents or the Funding Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses that are unrelated to the Borrower Loan Documents or the Funding Loan Documents which the Borrower may otherwise have against any assignor of such documents, and no such unrelated offset, counterclaim or defense shall be interposed or asserted by the Borrower in any action or proceeding brought by any such assignee upon such documents, and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Borrower.

Section 11.7 Publicity. The Funding Lender and the servicer (and any Affiliates of either party) shall have the right to issue press releases, advertisements and other promotional materials describing the Funding Lender's or the servicer's participation in the making of the Borrower Loan or the Borrower Loan's inclusion in any Secondary Market Transaction effectuated by the Funding Lender or the servicer or one of its or their Affiliates. All news releases, publicity or advertising by the Borrower or its Affiliates through any media intended to reach the general public, which refers to the Borrower Loan Documents or the Funding Loan Documents, the Borrower Loan, the Funding Lender or the servicer in a Secondary Market Transaction, shall be subject to the prior Written Consent of the Funding Lender or the servicer, as applicable.

Section 11.8 Construction of Documents. The parties hereto acknowledge that they were represented by counsel in connection with the negotiation and drafting of the Borrower Loan Documents and the Funding Loan Documents and that the Borrower Loan Documents and the Funding Loan Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

Section 11.9 No Third Party Beneficiaries. The Borrower Loan Documents and the Funding Loan Documents are solely for the benefit of the Governmental Lender, the Funding Lender, the servicer (if any) and the Borrower and, with respect to Sections 10.1.3 and 10.1.4 hereof, the Underwriter Group, and nothing contained in any Borrower Loan Document shall be deemed to confer upon anyone other than the Governmental Lender, the Funding Lender, the servicer (if any), and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 11.10 Assignment. The Borrower Loan, the Mortgage, the Borrower Loan Documents and the Funding Loan Documents and all Funding Lender's rights, title, obligations and interests therein may be assigned by the Funding Lender, at any time in its sole discretion, whether by operation of law

(pursuant to a merger or other successor in interest) or otherwise. Upon such assignment, all references to Funding Lender in this Borrower Loan Agreement and in any Borrower Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the Funding Lender. Borrower shall accord full recognition to any such assignment, and all rights and remedies of Funding Lender in connection with the interest so assigned shall be as fully enforceable by such assignee as they were by Funding Lender before such assignment. In connection with any proposed assignment, Funding Lender may disclose to the proposed assignee any information that Borrower has delivered, or caused to be delivered, to Funding Lender with reference to Borrower, General Partner, Guarantor or any Affiliate, or the Project, including information that Borrower is required to deliver to Funding Lender pursuant to this Borrower Loan Agreement, provided that such proposed assignee agrees to treat such information as confidential. The Borrower may not assign its rights, interests or obligations under this Borrower Loan Agreement or under any of the Borrower Loan Documents or Funding Loan Documents, or Borrower's interest in any moneys to be disbursed or advanced hereunder, except only as may be expressly permitted hereby.

Section 11.11 Single Asset Entity. Borrower covenants and agrees that it has not and shall not:

- (a) engage in any business or activity other than the acquisition, ownership, operation and maintenance of the Project, and activities incidental thereto;
- (b) acquire or own any material asset other than (i) the Project, and (ii) such incidental personal property as may be necessary for the operation of the Project;
- (c) merge into or consolidate with any Person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Funding Lender's consent;
- (d) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the Legal Requirements of the jurisdiction of its organization or formation, or without the prior written consent of Lender, amend, modify, terminate or fail to comply with the provisions of Borrower's organizational documents;
- (e) own any subsidiary or make any investment in or acquire the obligations or securities of any other Person or entity without the consent of Funding Lender;
- (f) commingle its assets with the assets of any of its partner(s), members, shareholders, affiliates, or of any other Person or entity or transfer any assets to any such Person or entity other than distributions on account of equity interests in the Borrower permitted hereunder and properly account for;
- (g) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Borrower Loan, the Subsidy Loan and except (i) unsecured trade and operational debt incurred with trade creditors in the ordinary course of its business of owning and operating the Project in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid when due and provided in any event the outstanding principal balance of such debt shall not exceed at any one time one percent (1.0%) of the outstanding Borrower Loan and (ii) unsecured loans made by the partners of the Borrower, provided that such debt is fully subordinate to the Borrower Loan and paid out of excess cash flow only and prior to an Event of Default;
- (h) allow any Person or entity to pay its debts and liabilities (except a Guarantor) or fail to pay its debts and liabilities solely from its own assets;

- (i) fail to maintain its records, books of account and bank accounts separate and apart from those of the shareholders, partners, members, principals and Affiliates of Borrower, the Affiliates of a shareholder, partner or member of Borrower, and any other Person or entity fail to prepare and maintain its own financial statements in accordance with generally accepted accounting principles and susceptible to audit, or if such financial statements are consolidated, fail to cause such financial statements to contain footnotes disclosing that the Project is actually owned by the Borrower;
- (j) enter into any contract or agreement with any shareholder, partner, member, principal or Affiliate of Borrower, any Guarantor or any shareholder, partner, member, principal or Affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or Affiliate of Borrower or Guarantor, or any shareholder, partner, member, principal or Affiliate thereof;
- (k) seek dissolution or winding up, in whole or in part;
- (l) fail to correct any known misunderstandings regarding the separate identity of Borrower;
- (m) hold itself out to be responsible or pledge its assets or credit worthiness for the debts of another Person or entity or allow any Person or entity to hold itself out to be responsible or pledge its assets or credit worthiness for the debts of the Borrower (except for a Guarantor);
- (n) make any loans or advances to any third party, including any shareholder, partner member, principal or Affiliate of Borrower, or any shareholder, partner, member, principal or Affiliate thereof;
- (o) fail to file its own tax returns or to use separate contracts, purchase orders, stationery, invoices and checks;
- (p) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or Person or to conduct its business solely in its own name in order not (i) to mislead others as to the entity with which such other party is transacting business, or (ii) to suggest that Borrower is responsible for the debts of any third party (including any shareholder, partner, member, principal or Affiliate of Borrower, or any shareholder, partner, member, principal or Affiliate thereof);
- (q) fail to allocate fairly and reasonably among Borrower and any third party (including, without limitation, any Guarantor) any overhead for common employees, shared office space or other overhead and administrative expenses;
- (r) allow any Person or entity to pay the salaries of its own employees or fail to maintain a sufficient number of employees for its contemplated business operations;
- (s) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;
- (t) file a voluntary petition or otherwise initiate proceedings to have the Borrower or any general partner, manager or managing member of Borrower adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Borrower or any general partner, manager or managing member of Borrower, or file a petition seeking or consenting to reorganization or relief of the Borrower or any general partner, manager or managing member of Borrower as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Borrower or any general partner, manager or managing member of Borrower; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequester, custodian, liquidator (or other

similar official) of the Borrower or any general partner, manager or managing member of Borrower or of all or any substantial part of the properties and assets of the Borrower or any general partner, manager or managing member of Borrower, or make any general assignment for the benefit of creditors of the Borrower or any general partner, manager or managing member of Borrower, or admit in writing the inability to the Borrower or any general partner, manager or managing member of Borrower to pay its debts generally as they become due or declare or effect a moratorium on the Borrower or any general partner, manager or managing member of Borrower debt or take any action in furtherance of any such action; or

(u) share any common logo with or hold itself out as or be considered as a department or division of (i) any shareholder, partner, principal, member or Affiliate of Borrower, (ii) any Affiliate of a shareholder, partner, principal, member or Affiliate of Borrower, or (iii) any other Person or entity or allow any Person or entity to identify the Borrower as a department or division of that Person or entity; or conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of the Borrower or the creditors of any other Person or entity.

Section 11.12 Governmental Lender, Funding Lender and Servicer (if any) Not in Control; No Partnership. None of the covenants or other provisions contained in this Borrower Loan Agreement shall, or shall be deemed to, give the Governmental Lender, the Funding Lender or the servicer the right or power to exercise control over the affairs or management of the Borrower, the power of the Governmental Lender, the Funding Lender and the servicer (if any) being limited to the rights to exercise the remedies referred to in the Borrower Loan Documents and the Funding Loan Documents. The relationship between the Borrower and the Governmental Lender, the Funding Lender and the servicer (if any) is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Borrower Loan Documents or the Funding Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Governmental Lender, the Funding Lender or the servicer or to create an equity in the Project in the Governmental Lender, the Funding Lender or the servicer. Neither the Governmental Lender, the Funding Lender nor the servicer undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Project or the Borrower Loan, except as expressly provided in the Borrower Loan Documents or the Funding Loan Documents; and notwithstanding any other provision of the Borrower Loan Documents and the Funding Loan Documents: (1) the Governmental Lender, the Funding Lender and the servicer (if any) are not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members, or partners and the Governmental Lender, the Funding Lender and the servicer (if any) do not intend to ever assume such status; (2) the Governmental Lender, the Funding Lender and the servicer (if any) shall in no event be liable for any the Borrower Payment Obligations, expenses or losses incurred or sustained by the Borrower; and (3) the Governmental Lender, the Funding Lender and the servicer (if any) shall not be deemed responsible for or a participant in any acts, omissions or decisions of the Borrower, the Borrower Controlling Entities or its stockholders, members, or partners. The Governmental Lender, the Funding Lender and the servicer (if any) and the Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between the Governmental Lender, the Funding Lender, the servicer (if any) and the Borrower, or to create an equity in the Project in the Funding Lender or the servicer, or any sharing of liabilities, losses, costs or expenses.

Section 11.13 Release. The Borrower hereby acknowledges that it is executing this Borrower Loan Agreement and each of the Borrower Loan Documents and the Funding Loan Documents to which it is a party as its own voluntary act free from duress and undue influence.

Section 11.14 Term of Borrower Loan Agreement. This Borrower Loan Agreement shall be in full force and effect until all payment obligations of the Borrower hereunder have been paid in full and the Borrower Loan and the Funding Loan have been retired or the payment thereof has been provided for;

except that on and after payment in full of the Borrower Note, this Borrower Loan Agreement shall be terminated, without further action by the parties hereto; provided, however, that the obligations of the Borrower under Sections 4.7 (Third Party Consultants), 7.11 (Governmental Lender's Fees), 7.14 (Expenses), 7.15 (Indemnity), 10.1.3, 10.1.4, 10.1.5, 10.1.6 and 11.15 (Reimbursement of Expenses) hereof, shall survive the termination of this Borrower Loan Agreement.

Section 11.15 Reimbursement of Expenses. If, upon or after the occurrence of any Event of Default or Potential Default, the Governmental Lender, the Funding Lender or the servicer shall employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein, the Borrower will on demand therefor reimburse the Governmental Lender, the Funding Lender and the servicer (if any) for reasonable fees of such attorneys and such other expenses so incurred.

The Borrower's obligation to pay the amounts required to be paid hereunder and under this Section 11.15 shall be subordinate to its obligations to make payments under the Borrower Note.

Section 11.16 Permitted Contests. Notwithstanding anything to the contrary contained in this Borrower Loan Agreement, Borrower shall have the right to contest or object in good faith to any claim, demand, levy or assessment (other than in respect of Debt or Contractual Obligations of Borrower under any Borrower Loan Document or Related Document) by appropriate legal proceedings that are not prejudicial to Funding Lender's rights, but this shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to Borrower's covenant to pay and comply with any such claim, demand, levy or assessment, unless Borrower shall have given prior Written Notice to the Governmental Lender and the Funding Lender of Borrower's intent to so contest or object thereto, and unless (i) Borrower has, in the Governmental Lender's and the Funding Lender's judgment, a reasonable basis for such contest, (ii) Borrower pays when due any portion of the claim, demand, levy or assessment to which Borrower does not object, (iii) Borrower demonstrates to Funding Lender's satisfaction that such legal proceedings shall conclusively operate to prevent enforcement prior to final determination of such proceedings, (iv) Borrower furnishes such bond, surety, undertaking or other security in connection therewith as required by law, or as requested by and satisfactory to Funding Lender, to stay such proceeding, which bond, surety, undertaking or other security shall be issued by a bonding company, insurer or surety company reasonably satisfactory to Funding Lender and shall be sufficient to cause the claim, demand, levy or assessment to be insured against by the Title Company or removed as a lien against the Project, (v) Borrower at all times prosecutes the contest with due diligence, and (vi) Borrower pays, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by Borrower, the amount so determined to be due and owing by Borrower. In the event that Borrower does not make, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by Borrower, any payment required to be made pursuant to clause (vi) of the preceding sentence, an Event of Default shall have occurred, and Funding Lender may draw or realize upon any bond or other security delivered to Funding Lender in connection with the contest by Borrower, in order to make such payment.

Section 11.17 Intentionally Omitted.

Section 11.18 Funding Lender Approval of Instruments and Parties. All proceedings taken in accordance with transactions provided for herein, and all surveys, appraisals and documents required or contemplated by this Borrower Loan Agreement and the persons responsible for the execution and preparation thereof, shall be satisfactory to and subject to approval by Funding Lender. Funding Lender's approval of any matter in connection with the Project shall be for the sole purpose of protecting the security and rights of Funding Lender. No such approval shall result in a waiver of any default of Borrower. In no

event shall Funding Lender's approval be a representation of any kind with regard to the matter being approved.

Section 11.19 Funding Lender Determination of Facts. Funding Lender shall at all times be free to establish independently, to its reasonable satisfaction, the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition of this Borrower Loan Agreement.

Section 11.20 Calendar Months. With respect to any payment or obligation that is due or required to be performed within a specified number of Calendar Months after a specified date, such payment or obligation shall become due on the day in the last of such specified number of Calendar Months that corresponds numerically to the date so specified; provided, however, that with respect to any obligation as to which such specified date is the 29th, 30th or 31st day of any Calendar Month: if the Calendar Month in which such payment or obligation would otherwise become due does not have a numerically corresponding date, such obligation shall become due on the first day of the next succeeding Calendar Month.

Section 11.21 Determinations by Lender. Except to the extent expressly set forth in this Borrower Loan Agreement to the contrary, in any instance where the consent or approval of the Governmental Lender and the Funding Lender may be given or is required, or where any determination, judgment or decision is to be rendered by the Governmental Lender and the Funding Lender under this Borrower Loan Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by the Governmental Lender and the Funding Lender, as applicable (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

Section 11.22 Governing Law. This Borrower Loan Agreement shall be governed by and enforced in accordance with the laws of the State, without giving effect to the choice of law principles of the State that would require the application of the laws of a jurisdiction other than the State.

Section 11.23 Consent to Jurisdiction and Venue. Borrower agrees that any controversy arising under or in relation to this Borrower Loan Agreement shall be litigated exclusively in the State. The state and federal courts and authorities with jurisdiction in the State shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Borrower Loan Agreement. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Beneficiary Parties' right to bring any suit, action or proceeding relating to matters arising under this Borrower Loan Agreement against Borrower or any of Borrower's assets in any court of any other jurisdiction.

Section 11.24 Successors and Assigns. This Borrower Loan Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities.

Section 11.25 Severability. The invalidity, illegality or unenforceability of any provision of this Borrower Loan Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

Section 11.26 Entire Agreement; Amendment and Waiver. This Borrower Loan Agreement contains the complete and entire understanding of the parties with respect to the matters covered. This Borrower Loan Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Borrower Loan Agreement shall be considered as a general waiver. Without limiting the generality of the foregoing, no Disbursement shall constitute a waiver of any conditions to the Governmental Lender's or the Funding Lender's obligation to make further Disbursements nor, in the event Borrower is unable to satisfy any such conditions, shall any such waiver have the effect of precluding the Governmental Lender or the Funding Lender from thereafter declaring such inability to constitute a Potential Default or Event of Default under this Borrower Loan Agreement.

Section 11.27 Counterparts. This Borrower Loan Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

Section 11.28 Captions. The captions of the sections of this Borrower Loan Agreement are for convenience only and shall be disregarded in construing this Borrower Loan Agreement.

Section 11.29 Servicer. Borrower hereby acknowledges and agrees that Funding Lender may appoint a servicer to collect payments and deposits, to receive notices under this Borrower Loan Agreement, the Borrower Note, the Mortgage, or the other Borrower Loan Documents, and to otherwise service the Borrower Loan. Borrower hereby acknowledges and agrees that, unless Borrower receives written notice from Funding Lender to the contrary, any action or right which shall or may be taken or exercised by Funding Lender may be taken or exercised by an appointed servicer with the same force and effect, including, without limitation, the collection of payments, the holding of escrows, the giving of notice, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. Borrower further agrees that, unless Funding Lender instructs Borrower to the contrary in writing, (i) any notices, books or records, or other documents or information to be delivered to Funding Lender under this Borrower Loan Agreement, the Mortgage, the Borrower Note, or any other Borrower Loan Document shall also be simultaneously delivered to servicer at the address provided for notices in the Borrower Loan Agreement, and (ii) any payments to be made under this Borrower Loan Agreement or the Borrower Note or for escrows under the Mortgage or under any of the other Borrower Loan Documents shall be made to any appointed servicer. In the event Borrower receives conflicting notices regarding the identity of the servicer or any other subject, any such notice from Funding Lender shall govern. Borrower further acknowledges and agrees that, for the purpose of determining whether a security interest is created or perfected under the Uniform Commercial Code of the State, any escrows or other funds held any servicer pursuant to the Borrower Loan Documents shall be deemed to be held by Funding Lender.

Section 11.30 Beneficiary Parties as Third Party Beneficiary. Each of the Beneficiary Parties shall be a third party beneficiary of this Borrower Loan Agreement for all purposes.

Section 11.31 Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND THE BENEFICIARY PARTIES (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS BORROWER LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS

SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 11.32 Time of the Essence. Time is of the essence with respect to this Borrower Loan Agreement.

Section 11.33 Modifications. Modifications (if any) to this Borrower Loan Agreement (“Modifications”) are set forth on Exhibit A attached to this Borrower Loan Agreement. In the event of a Transfer under the terms of this Borrower Loan Agreement, some or all of the Modifications to this Borrower Loan Agreement may be modified or rendered void by the Governmental Lender or the Funding Lender at its option by notice to Borrower or such transferee.

ARTICLE XII

LIMITATIONS ON LIABILITY

Section 12.1 Limitation on Liability. Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Borrower Loan Documents and the Funding Loan Documents shall be limited to the extent set forth in the Borrower Note.

Section 12.2 Limitation on Liability of Governmental Lender. The Governmental Lender shall not be obligated to pay the principal (or prepayment price) of or interest on the Funding Loan, except from moneys and assets received by the Funding Lender on behalf of the Governmental Lender pursuant to this Borrower Loan Agreement. Neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, nor the faith and credit of the Governmental Lender is pledged to the payment of the principal (or prepayment price) of or interest on the Funding Loan. The Governmental Lender shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Borrower Loan Agreement or the Funding Loan Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under this Borrower Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender’s sole source of moneys to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Borrower Loan Agreement, together with investment income on certain funds and accounts held by the Funding Lender under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or prepayment price) of and interest on the Funding Loan as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Funding Lender or the servicer, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or prepayment price) of or interest on the Funding Loan, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Funding Lender, the Borrower, the Governmental Lender or any third party, subject to any right of reimbursement from the Funding Lender, the Governmental Lender or any such third party, as the case may be, therefor.

Section 12.3 Waiver of Personal Liability. No member, officer, agent or employee of the Governmental Lender or any director, officer, agent or employee of the Governmental Lender shall be individually or personally liable for the payment of any principal (or prepayment price) of or interest on the Funding Loan or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Borrower Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Borrower Loan Agreement.

Section 12.4 Limitation on Liability of Funding Lender's Officers, Employees, Etc.

(a) Borrower assumes all risks of the acts or omissions of the Governmental Lender and the Funding Lender, provided, however, this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the Governmental Lender and the Funding Lender at law or under any other agreement. None of Governmental Lender and the Funding Lender, nor the other Beneficiary Parties or their respective officers, directors, employees or agents shall be liable or responsible for (i) for any acts or omissions of the Governmental Lender and the Funding Lender; or (ii) the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged. In furtherance and not in limitation of the foregoing, the Governmental Lender and the Funding Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, unless acceptance in light of such notice or information constitutes gross negligence or willful misconduct on the part of the Governmental Lender and the Funding Lender.

(b) None of the Governmental Lender the Funding Lender, the other Beneficiary Parties or any of their respective officers, directors, employees or agents shall be liable to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Project. The Governmental Lender and the Funding Lender shall not be liable for any debts or claims accruing in favor of any such parties against Borrower or others or against the Project. Borrower is not and shall not be an agent of the Governmental Lender and the Funding Lender for any purpose. Neither the Governmental Lender nor the Funding Lender is a joint venture partner with Borrower in any manner whatsoever. Prior to default by Borrower under this Borrower Loan Agreement and the exercise of remedies granted herein, the Governmental Lender and the Funding Lender shall not be deemed to be in privity of contract with any contractor or provider of services to the Project, nor shall any payment of funds directly to a contractor, subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by the Governmental Lender and the Funding Lender. Approvals granted by the Governmental Lender and the Funding Lender for any matters covered under this Borrower Loan Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of Borrower.

(c) Any obligation or liability whatsoever of the Governmental Lender and the Funding Lender that may arise at any time under this Borrower Loan Agreement or any other Borrower Loan Document shall be satisfied, if at all, out of the Funding Lender's assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the Project or any of the Governmental Lender's or the Funding Lender's shareholders (if any), directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

Section 12.5 Delivery of Reports, Etc. The delivery of reports, information and documents to the Governmental Lender and the Funding Lender as provided herein is for informational purposes only and the Governmental Lender's and the Funding Lender's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein. The Governmental Lender and the Funding Lender shall have no duties or responsibilities except those that are specifically set forth herein, and no other duties or obligations shall be implied in this Borrower Loan Agreement against the Governmental Lender and the Funding Lender.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Borrower Loan Agreement or caused this Borrower Loan Agreement to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

LHT4 LIMITED PARTNERSHIP,
a Connecticut limited partnership

By: LHT4 Housing Corporation,
a Connecticut corporation,
its General Partner

By: _____
Name: Vincent J. Tufo
Title: President

(Signatures follow on subsequent page.)

GOVERNMENTAL LENDER:

**HOUSING AUTHORITY OF THE CITY OF
STAMFORD**

By:

Name: Vincent J. Tufo
Title: CEO

Agreed to and Acknowledged by:

FUNDING LENDER:

JPMORGAN CHASE BANK, N.A.

By: _____

Name: Sharmi Sobhan

Title: Authorized Officer

EXHIBIT A
MODIFICATIONS

None

EXHIBIT B

[FUNDING REQUISITION FORM ATTACHED]

EXHIBIT C

[COST BREAKDOWN ATTACHED]

EXHIBIT D

Conversion Certificate

This Conversion Certificate (this “Certificate”) is hereby executed and delivered as of [_____] by LHT4 Limited Partnership (the “Borrower”) in favor of JPMorgan Chase Bank, N.A. (the “Funding Lender”) in connection with the permanent conversion of the Borrower Loan, funded and serviced by the Funding Lender, but made by the Housing Authority of the City of Stamford (the “Governmental Lender”) to the Borrower pursuant to the terms of a Borrower Loan Agreement dated as of [_____] 2021 (the “Borrower Loan Agreement”). Unless otherwise provided, all capitalized terms used herein shall have the defined meanings set forth in the Borrower Loan Agreement.

As of the date first above noted, the Borrower hereby certifies to the Funding Lender as follows:

1. The Borrower Loan Agreement and the other Borrower Loan Documents are in full force and effect and there exists no Event of Default or other event or state of facts which, after notice or the passage of time, or both, could give rise to an Event of Default.
2. The Borrower’s representations and warranties in the Borrower Loan Agreement and in the other Borrower Loan Documents are true and correct as of the date hereof.
3. There are no adverse environmental conditions affecting the Project in addition to those set forth in environmental reports pertaining to the Project as set forth in the Environmental Indemnity Agreement (the “Environmental Reports”) and that all remediation/mitigation plans and actions required, recommended or otherwise forth in any of the Environmental Reports have been completed in compliance with applicable Legal Requirements.
4. The description of the Improvements contained in the Borrower Loan Agreement remains true and accurate as of the date hereof.
5. Not less than ninety percent (90%) of the non-manager units in the Improvements have met the Occupancy Requirement under legally valid, binding and enforceable lease agreements with bona fide tenants, none of whom are employees of the Borrower or employees of an Affiliate of the Borrower, and each has a lease term of not less than twelve (12) months nor more than twenty-four (24) months.
6. All of the tenancies are in full compliance with all rent, tenant qualification and other requirements set forth in the Regulatory Agreement and all other recorded restrictions, if any.
7. Title to the Project is vested in the Borrower [or in _____ pursuant to a Permitted Transfer].
8. There has been no change in the structure of, or a Transfer in, the Borrower or the General Partner of the Borrower other than a Permitted Transfer.
9. The Borrower has received all of the Equity Contributions from its Equity Investor anticipated to be paid under the terms of its Partnership Agreement as may be required to fund expenditures in connection with the construction of the Improvements, or such amount has been otherwise funded by the Borrower.

10. With respect to construction of the Improvements, (a) all punchlist work has been completed and accepted by the Borrower, (b) all warranties and guaranties required to be provided by the Contractor and subcontractors have been received and accepted by the Borrower, and (c) there are no outstanding or unsettled disputes with the Contractor or with any subcontractor or material supplier or consultant.
11. All heating, air conditioning, ventilating and other building systems in the Improvements are in good working order and there has been no deterioration in or damage to the Project that would materially and adversely affect its value.
12. All funding sources have been fully or concurrently funded into the Project in the amounts and subject to the terms and provisions as set forth in the Borrower Loan Agreement, except as otherwise amended or modified with the approval of the Funding Lender.
13. The Borrower hereby acknowledges that the Funding Lender will not approve of the Conversion without the execution and delivery of this Certificate and, therefore, that the Lender is relying on the truth and accuracy of the certifications set forth above in proceeding with the Conversion.

IN WITNESS WHEREOF, this Certificate has been executed as of the day and year first above set forth.

[BORROWER]

By: _____
Name: _____
Title: _____

EXHIBIT E

Compliance Certificate

This Certificate is delivered to JPMorgan Chase Bank, N.A. (the “**Bank**”) by LHT4 Limited Partnership (the “**Borrower**”) pursuant to Section 7.22(h) of that certain Borrower Loan Agreement, dated as of [_____], 2021, by and between Housing Authority of the City of Stamford and the Borrower (the “**Loan Agreement**”). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

The undersigned hereby certifies that:

1. I am an Authorized Borrower Representative.
2. I have reviewed the terms of the Loan Agreement.
3. To the best of my knowledge, the Borrower is in compliance with all covenants, terms and conditions applicable to Borrower, under or pursuant to the Borrower Loan Documents, Subsidy Loan Documents and the Funding Loan Documents and under or pursuant to any other Debt owing by Borrower to any Person.
4. To the best of my knowledge, there exists no condition nor has there occurred any event which constitutes an Event of Default as of the date of this Certificate.
5. The most recent financial statement heretofore delivered to you is true and correct in all material respects, fairly present the Borrower’s financial condition as of the date thereof, and no material adverse change has occurred in the financial condition reflected therein since the date thereof.

Very truly yours,

Date: _____

Record and return to:
Keisha S. Palmer, Esq.
Robinson & Cole LLP
280 Trumbull Street
Hartford, CT 06103

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

by and between

THE HOUSING AUTHORITY OF THE CITY OF STAMFORD

and

LHT4 LIMITED PARTNERSHIP

Dated as of December 1, 2021

**THE HOUSING AUTHORITY OF THE CITY OF STAMFORD
MULTIFAMILY HOUSING REVENUE NOTE
(LAWNHILL TERRACE 4 PROJECT), SERIES 2021**

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**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

This REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this “Regulatory Agreement”) is dated as of December 1, 2021 and entered into as of December [___], 2021 by and between THE HOUSING AUTHORITY OF THE CITY OF STAMFORD, a public body, corporate and politic, duly organized and existing under the laws of the State of Connecticut (together with any successor to its rights, duties and obligations, the “Authority”), and LHT4 LIMITED PARTNERSHIP, a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Connecticut (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “Borrower”).

W I T N E S S E T H:

WHEREAS, pursuant to Chapter 128 of the General Statutes of Connecticut, Revision of 1958, as amended (the “Act”), the Authority proposes to issue its Multifamily Housing Revenue Note (Lawnhill Terrace 4 Project), Series 2021 (the “Note”) under that certain Funding Loan Agreement, dated as of December 1, 2021 (the “Funding Loan Agreement”), by and between the Authority and JPMorgan Chase Bank, N.A., as funding lender (the “Funding Lender”), as supplemented and amended from time to time;

WHEREAS, the proceeds of the Note will be used to fund one or more loans (the “Loan”) to the Borrower pursuant to the Borrower Loan Agreement, dated as of December 1, 2021 (the “Borrower Loan Agreement”), between the Authority and the Borrower, as supplemented and amended from time to time, to provide, in part, financing for the rehabilitation, improvement and equipping of an existing residential rental housing project known as Lawnhill Terrace IV, located on the real property site described in **Exhibit A** hereto (as further described herein, the “Project”);

WHEREAS, the Loan will be secured, in part, by a lien on and security interest in the Project pursuant to an Open-End Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of December [___], 2021 (the “Mortgage”), by the Borrower to and for the benefit of the Authority;

WHEREAS, the Authority is unwilling to make the Loan unless the Project qualifies as a qualified residential rental project as defined in Code Section 142 and the Borrower agrees to be regulated in the manner set forth herein, and the Borrower is willing to execute and abide by this Regulatory Agreement as consideration for obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations; and

WHEREAS, the Authority as a condition of the Loan requires that the Borrower, by entering into the restrictions, terms, conditions and covenants set forth below, consent to be regulated and restricted in the management and operation of the Project as herein provided and as provided in the Code and the Regulations; and

NOW, THEREFORE, in consideration of the issuance of the Note by the Authority and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Funding Loan Agreement.

“Area” means the Metropolitan Statistical Area or Authority, as applicable, in which the Project is located, as defined by the United States Department of Housing and Urban Project.

“Available Units” means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Note, is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

“Authority” means The Housing Authority of the City of Stamford.

“Bond Counsel” means Robinson & Cole LLP, Hartford, Connecticut, or such other independent legal counsel which may be approved by the Issuer and whose opinions are regularly and generally accepted nationally in the field of municipal finance.

“Borrower Loan Agreement” means the Borrower Loan Agreement, dated as of December 1, 2021, between the Authority and the Borrower, as supplemented and amended from time to time.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Borrower with the Authority, pursuant to Section 4(g) hereof, which shall contain the provisions set forth in **Exhibit B** hereto and such other provisions as the Authority may reasonably request from time to time.

“City” means the City of Stamford, Connecticut.

“Closing Date” means the date that initial Funding Loan proceeds are disbursed under the Funding Loan Agreement, which is expected to be December [___], 2021.

“Code” means the Internal Revenue Code of 1986, as amended, each reference to the Code is deemed to include (i) any successor internal revenue law and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

“Funding Lender” means JP Morgan Chase Bank N.A., a national banking association, and any successor under the Funding Loan Agreement and the Borrower Loan Documents.

“Funding Loan Agreement” means the Funding Loan Agreement, dated as of December 1, 2021, by and between the Authority and Funding Lender, as supplemented and amended from time to time.

“Funding Loan Documents” has the meaning given such term in the Funding Loan Agreement.

“General Partner” means LHT4 Housing Corporation, a Connecticut corporation, the sole general partner of the Borrower.

“Gross Income” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed under Section 8 of the Housing Act.

“Housing Act” means the United States Housing Act of 1937, as amended, or its successor.

“Income Certification” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in a form acceptable to the Authority or as otherwise approved by the Authority.

“Limited Partnership Agreement” means that certain Amended and Restated Agreement of Limited Partnership of the Borrower dated as of December 1, 2021, as the same may be amended, restated or modified in accordance with its terms.

“Low Income Tenant” means a tenant occupying a Low Income Unit.

“Low Income Unit” means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of “low-income families” under Section 8 of the Housing Act, provided that the percentage of median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. A unit occupied by one or more students shall only constitute a Low Income Unit if such students meet the requirements of Section 142(d)(2)(C) of the Code. The determination of an Available Unit’s status as a Low Income Unit shall be made by the Borrower upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“Permitted Encumbrances” means any easements, agreements, encumbrances or restrictions listed on the schedule of exceptions in the title insurance policy issued to the Authority as of the date of recordation of this Regulatory Agreement insuring the Authority’s interest in the Project, together with the Extended Use Agreement and the liens securing the Subordinate Debt (including, without limitation, any regulatory agreements recorded in connection with the Subordinate Debt), if applicable.

“Project” means the 34-unit multifamily residential rental housing project for households with one or more persons located in the City of Stamford, Connecticut on the real property site described in **Exhibit A** hereto, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as may at any time exist, the construction and development of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Note or the proceeds of any payment by the Borrower pursuant to the Borrower Loan Agreement, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

“Qualified Project Period” means the period beginning on the first day on which at least 10% of the units in the Project are first occupied and ending on the later of the following:

(A) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied;

(B) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding;

(C) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; or

(D) such later date as set forth in this Regulatory Agreement.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

“Regulatory Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

“Rental Payments” means the rental payments paid by the tenant of a unit, excluding any supplemental rental assistance to the tenant from the State, the federal government, or any other public agency, but including any mandatory fees or charges imposed on the tenant by the Borrower as a condition of occupancy of the unit.

“Tax-Exempt” means with respect to interest on any obligations of a state or local government, including the Note, that such interest is excluded from gross income for federal income tax purposes; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“Tax Certificate” means the Tax Certificate, dated as of December [__], 2021, executed and delivered by the Borrower with respect to the Note.

“Transfer” means the conveyance, assignment, sale or other disposition of all or any portion of the Project in accordance with the terms of the Mortgage.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Borrower.

(a) The Borrower hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Borrower contained in the Tax Certificate and the Funding Loan Documents relating to the Project.

(b) The Borrower hereby represents and warrants that the Project is located entirely within the City.

(c) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Note to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Authority for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Authority in any manner except to issue the Note in order to provide funds to assist the Borrower in constructing and developing the Project and take the actions required of it under the Funding Loan Documents and the Borrower Loan Documents.

Section 3. Qualified Residential Rental Project. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period and all rehabilitation expenditures shall be made within two years of the date of the issuance of the Note. To that end, and for the term of this Regulatory Agreement, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, rehabilitated, developed and operated for the purpose of providing multifamily residential rental property for households with one or more persons of low and moderate income. The Borrower will ground lease, manage and operate the Project as a project to provide multifamily residential rental property comprised of one or more buildings together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code and Section 1.103-8(b) of the Regulations.

(b) All of the dwelling units in the Project will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement.

(d) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) All of the Available Units in the Project will be available for rental during the period beginning on the date hereof and ending on the termination of the Qualified Project Period on a continuous, “first-come, first-served” basis to members of the general public; which for purposes of this Regulatory Agreement means the general population, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units.

(f) The Project consists of a parcel or parcels that are contiguous and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; this provision shall not be construed to prohibit occupancy of not more than one dwelling unit by a resident manager or maintenance personnel.

Section 4. Low Income Tenants; Reporting Requirements. Pursuant to the requirements of the Code, the Borrower hereby represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than one hundred percent (100%) of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the percentage requirement of Section 4(a) hereof unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) For the Qualified Project Period, the Borrower will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit and a second Income Certification dated one year after the Low Income Tenant's initial move in date, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant. The Borrower will also provide such additional information as may be required in the future by the Code, the State or the Authority, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Authority, copies of Income Certifications for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Authority, as requested.

(d) The Borrower shall make a good faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or any agency of the State if the applicant receives assistance from such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Authority.

(e) The Borrower will maintain complete and accurate records pertaining to the Low Income Units, and will permit any duly authorized representative of the Authority, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to

the Project, including those records pertaining to the occupancy of the Low Income Units. Such records shall include:

- (1) The total number of residential rental units in each building (including the number of bedrooms and the size in square feet of each residential rental unit);
 - (2) The percentage of residential rental units in each building that are Low Income Units;
 - (3) The rent charged on each residential rental unit in the Project (including any utility allowance);
 - (4) The Low Income Unit vacancies in the building and information that shows when, and to whom the next available originally designated Low Income Units were rented;
 - (5) The annual income certification of each tenant of a Low Income Unit, including an income certification dated within one hundred twenty (120) days of the Closing Date;
 - (6) Documentation to support the income certification made by each tenant of a Low Income Unit (for example, a copy of the tenant's federal income tax return, Form W-2, or verifications of income from third parties such as employers or state agencies paying unemployment compensation or other benefits); and
 - (7) Such other information as the Authority may reasonably request from time to time.
- (f) The Borrower shall retain the foregoing records for each building in the Project for at least six years after the end of the Qualified Project Period.
- (g) The Borrower will prepare and submit to the Authority, on behalf of the Authority, not less than annually, commencing not less than twelve (12) months after the Closing Date, a Certificate of Continuing Program Compliance executed by the Borrower in substantially the form attached hereto as **Exhibit B**. During the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code) and deliver copies of such forms or certificates to the Authority together with copies of any other IRS Forms submitted in respect to the Project.
- (h) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, or the Authority and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Borrower has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit,

and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c).

(i) The Borrower further covenants and agrees promptly to notify the Authority if the Borrower discovers noncompliance with any restriction or covenant hereunder. The Authority agrees to notify the Borrower if the Authority discovers noncompliance with any restriction or covenant hereunder, but the failure by the Authority to do so shall not affect the Borrower's obligations hereunder. The rights of the Authority under this subsection shall not be construed to impose upon them any obligation to request or review any such reports or information.

For purposes of this Section 4, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

Section 5. Tax-Exempt Status of Note. The Borrower and the Authority will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Note and, if either of them should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

Section 6. Reliance. The Borrower hereby recognizes and agrees that the representations and covenants set forth herein may be relied upon by all persons, including but not limited to the Authority interested in the Tax-Exempt status of the interest on the Note. The Authority shall not be required to conduct any investigation into or review the operations or records of the Borrower and may rely solely on any written notice or certificate delivered to the Authority by the Borrower with respect to the occurrence or absence of a default hereunder.

Section 7. Transfer of the Project. (a) For the Qualified Project Period, the Borrower shall not Transfer the Project (except Permitted Transfers pursuant to the Mortgage), in whole or in part, without the prior written consent of the Authority. During the Qualified Project Period, the Borrower hereby covenants to include a reference to the requirements and restrictions contained in this Regulatory Agreement in any material documents transferring any interest in the Project to another person so that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to be bound by and comply with the requirements set forth in this Regulatory Agreement. Further, for the Qualified Project Period, the Borrower shall not: (1) encumber any of the Project or grant commercial leases of any part of the Project (excluding the space not financed with the proceeds of the Note), or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) Permitted Encumbrances, or (B) a Transfer in accordance with the terms of this Regulatory Agreement, in each case upon receipt by the Authority of an opinion of Bond Counsel, if deemed necessary by the Authority, to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Note; (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Funding Loan Documents; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

(b) In addition to the above restrictions on the Transfer of the Project (or a portion thereof) and except as provided below, the Borrower shall not convey the Project or interests in the ownership of the Project in a manner such that any subcontractor, or any other person to whom proceeds of the Note have been paid becomes a related person to the Borrower and the Borrower shall not otherwise become a related person to any subcontractor or such other

recipients of proceeds of the Note. The preceding sentence shall not apply to prevent the payment of proceeds to a partner of the Borrower or the contractor for the Project provided that the other requirements set forth in this Regulatory Agreement, the Funding Loan Agreement and the Tax Certificate are satisfied. For purposes hereof, “related person” has the meaning ascribed thereto in Section 144(a)(3) of the Code. Notwithstanding anything to the contrary contained herein or in any document evidencing or securing the Loan, (i) the respective limited partner interests of RBC Tax Credit Equity, LLC, an Illinois limited company (the “Limited Partner”) and RBC Tax Credit Manager II, Inc., a Delaware corporation (the “Special Limited Partner” and together with the Limited Partner, the “Limited Partners”), in the Borrower may be transferred to or among affiliates thereof controlled through one or more intermediaries of RBC Tax Credit Equity, LLC, so long as the Limited Partners provide the Funding Lender, upon its reasonable request, with the legal name, address, percentage of ownership, and any such other information required to comply with its “know your customer rules”, of all direct partners or members of the entity to which the Limited Partners’ interest were transferred, and any other transfers shall be in strict compliance with Section 8.6 of the Borrower Loan Agreement, and (ii) Limited Partners shall be entitled to (but not obligated to) cure any default or event of default hereunder, and any such cure by Limited Partners shall be deemed a cure by Borrower and be accepted or rejected on the same basis as if tendered by Borrower.

Section 8. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Note and discharge of the Funding Loan Agreement and the Borrower Loan Agreement. The foregoing notwithstanding, this Regulatory Agreement and all restrictions hereunder shall terminate: (a) if there is delivered to the Authority, the Borrower an opinion of nationally recognized bond or tax counsel acceptable to the Authority to the effect that failure to comply with this Regulatory Agreement will not cause interest on the Note to become includable in the gross income of the owners thereof for federal income tax purposes, or (b) in the event of an involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, condemnation or similar event, or a change in a federal law or an action of a federal agency after the date of issuance of the Note that prevents the Authority from enforcing the terms of this Regulatory Agreement, but only if, within a reasonable period, either the Note is repaid or amounts received as a consequence of such event are used to provide a residential rental project which meets the terms of this Regulatory Agreement. Notwithstanding the foregoing, such requirements shall continue to apply to the Project subsequent to a foreclosure, transfer of title by deed in lieu of foreclosure or similar event if, at any time subsequent to such event, the obligor on the purpose investment (as defined in Section 1.148-1(b) of the Regulations applicable to the Code) or a Related Person obtains an ownership interest in the Project for federal tax purposes.

Section 9. Covenants to Run With the Land. The Authority and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower’s successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. The Borrower, at its cost and expense, shall cause this Regulatory Agreement to be

duly recorded, filed, re-recorded and refiled in such places, and shall pay or cause to be paid all recording, filing, or other taxes, fees and charges, and shall comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the ability of the Authority to enforce this Regulatory Agreement. At the request of the Borrower, the Authority shall provide the Borrower with an instrument executed in recordable form at such time as the terms of this Regulatory Agreement are no longer applicable and the obligations of the Borrower have been satisfied, releasing the Borrower and the land from this Regulatory Agreement.

Section 10. Default; Enforcement. (a) If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 30 days (or longer as provided later in this sentence) after notice thereof shall have been given by the Authority to the Borrower, with a copy of such notice to the Funding Lender (or for a longer period after such notice if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 30-day period, and if the Borrower commences same within such 30-day period and thereafter diligently and continuously prosecutes the same to completion), then the Authority may declare that the Borrower is in default hereunder and may take any one or more of the following steps, at its option:

(i) by mandamus or other suit, action or proceeding at law or in equity, require the Borrower to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the Authority hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project;

(iii) take whatever other action at law or in equity may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder; or

(iv) recover any monetary damages suffered by the Authority from time to time as a consequence of any event of default.

(b) The Borrower hereby acknowledges and agrees that money damages will not be an adequate remedy at law for a default by the Borrower arising from a default hereunder, and therefore the Borrower agrees that the remedy of specific performance shall be available to the Authority in any such case, but without prejudice to the availability of monetary damage remedies.

(c) No remedy conferred herein or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(d) If the Authority has instituted any proceeding to enforce any right or remedy under this Regulatory Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Authority, then and in every such case the Borrower and the Authority shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Authority shall continue as though no such proceeding has been instituted.

(e) No delay or omission of the Authority to exercise any right or remedy provided hereunder upon an event of default (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such event of default or acquiescence therein. Every right and remedy given by this Section or by law to the Authority may be exercised from time to time, and as often as may be deemed expedient by the Authority, as the case may be.

Section 11. Indemnification.

The Borrower shall to the fullest extent permitted by law, indemnify and hold harmless the Authority and its officers, directors, employees and agents, from and against (a) any and all claims arising from any cause whatsoever in connection with this Regulatory Agreement; (b) any and all claims arising from any act or omission of the Borrower or any of its agents, servants, employees, or licensees in connection with this Regulatory Agreement; and (c) all costs, counsel fees, expenses, and liabilities incurred in connection with any such claim or proceeding brought with respect to any thereof. The indemnity provided for in this Section shall not extend to matters arising from the willful misconduct or gross negligence of the Authority or any of its respective officers, directors, agents or employees and shall not limit any other indemnity given under any other Funding Loan Documents. If any action or proceeding is brought against the Authority, as the case may be, or any of its respective officers, directors, agents or employees with respect to which indemnity may be sought hereunder, the Borrower, shall pay the costs of defending such action including the employment of counsel reasonably acceptable to the Authority, as the case may be and shall assume the payment of all expenses related thereto; provided, however, that if the Borrower and any indemnified party or other named party to any such action or proceeding, including an impleaded party, or any person controlling any indemnified party shall have reasonably concluded that there may be one or more conflicting legal defenses available to it which are different from or additional to those available to the Borrower, such indemnified parties or such other party shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of the indemnified party or such other party with respect to such additional or different defenses.

In performing their duties and obligations hereunder and exercising their rights and remedies hereunder, the Authority may rely upon statements and certificates of the Borrower or tenants of Low-Income Units believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Authority may consult with counsel of its selection, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Authority hereunder in good faith and in conformity with the opinion of such counsel.

The protection and obligations under this Section shall survive the termination or expiration of this Regulatory Agreement as necessary to effectuate its provisions. This indemnity is not a guarantee of any portion of the Borrower's payment obligations under the Borrower Loan Agreement.

Section 12. Third Party Beneficiary. The Funding Lender is a third party beneficiary with full rights to enforce the terms hereof.

Section 13. Binding Effect. This Regulatory Agreement shall be binding upon the parties hereto and their respective successors and assigns, as their interests may appear, except that a foreclosing mortgagee, other foreclosing lien holder, or other owner of the equity, a trustee in bankruptcy or heir of any owner shall be exempt from this Regulatory Agreement, until such time as the foreclosed upon Project, or Project held by a trustee in bankruptcy, or Project taken by devise, is sold, leased or otherwise conveyed, at which time such sale, lease, or conveyance shall be subject to the covenants and restrictions herein.

Section 14. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of Connecticut.

Section 15. Amendments; Waivers. (a) This Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the City of Stamford, Connecticut, and only upon receipt by the Authority, if deemed necessary by the Authority, of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Note and is not contrary to the provisions of the Housing Act.

(b) Anything to the contrary contained herein notwithstanding, the Authority and the Borrower hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Note remains Tax-Exempt. The parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Bond Counsel and a request that Bond Counsel render to the Authority an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Note. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 16. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, in each case to the respective addresses specified in the Funding Loan Agreement, or at such other addresses as may be specified in writing by the parties hereto. Unless otherwise specified by the Authority, the address of the Authority:

The Housing Authority of the City of Stamford
22 Clinton Avenue, Suite 101
Stamford, CT 06901
Attention: Chief Executive Officer

The Authority and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

The Borrower shall notify the Authority in writing of any change to the name of the Project or any change of name or address for the Borrower.

Section 17. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 18. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

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

Witnesses:

**THE HOUSING AUTHORITY OF THE CITY
OF STAMFORD**

By: _____

Name: Susan Rutz

Title: Chairwoman

STATE OF CONNECTICUT)

)

ss: Stamford

COUNTY OF FAIRFIELD)

On this the ___ day of December, 2021, before me, the undersigned officer, personally appeared Susan Rutz, known to me (or satisfactorily proven) to be the Chairwoman of **The Housing Authority of the City of Stamford** and as Chairwoman, being authorized so to do, executed the foregoing instrument 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:

LHT4 LIMITED PARTNERSHIP,
a Connecticut limited partnership

Witnesses:

By: LHT4 Housing Corporation
a Connecticut corporation,
its General Partner

By: _____
Name: Vincent J. Tufo
Title: President

STATE OF CONNECTICUT)
)
COUNTY OF FAIRFIELD) ss: Stamford

Personally appeared Vincent J. Tufo, known to me (or satisfactorily proven) to be an Authorized Representative as President of **LHT4 Housing Corporation**, a Connecticut corporation, general partner of **LHT4 Limited Partnership**, a Connecticut limited partnership, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand.

Notary Public
My Commission Expires:

EXHIBIT A
DESCRIPTION OF REAL PROPERTY

[TO COME]

EXHIBIT B

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The Borrower shall certify, in each Certificate of Continuing Program Compliance, that to the best of its knowledge:

- (i) The Project met the requirements of the 40/60 test under §142(d) of the Code;
- (ii) The Borrower has received an annual income certification from each tenant of a Low Income Unit and documentation to support that certification;
- (iii) All units in the Project were for use by the general public and are used on a non-transient basis except for the employee's unit;
- (iv) The Project was suitable for occupancy, taking into account local health, safety, and building codes;
- (v) If a Low Income Unit in the Project became vacant during the year, reasonable attempts were or are being made to rent that unit to tenants having a qualifying income;
- (vi) The Project complies with the requirements of the Code applicable to the Note; and
- (vii) The Borrower is in compliance with the Regulatory Agreement in all material respects.

**OPEN-END LEASEHOLD MORTGAGE
ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT**

Dated: [____], 2021
in the amount of
\$[8,800,000]
(the "*Mortgage Amount*")

From

LHT4 LIMITED PARTNERSHIP
(*"Mortgagor"*)

having an address at:
c/o Rippowam Corporation
40 Clinton Avenue, Suite 101
Stamford, Connecticut 06901

to

HOUSING AUTHORITY OF THE CITY OF STAMFORD
(*"Mortgagee"*)

having an address at
c/o Rippowam Corporation
40 Clinton Avenue, Suite 101
Stamford, Connecticut 06901

LOCATION OF PREMISES:

State of : Connecticut
County of : Fairfield

**After recording, please return to:
Sidley Austin LLP
787 Seventh Avenue, New York, New York 10019
Attention: Aviva Yakren, Esq.**

This instrument was prepared by the above named attorney.

Recital

The Mortgagor is the owner of a leasehold interest in the premises described in Schedule A-1 hereto pursuant to that certain Ground Lease Agreement, dated as of the date hereof, between the Housing Authority of the City of Stamford (the "Ground Lessor") and Mortgagor (the "Ground Lease"), which Ground Lease is more particularly described in Schedule A-2 hereto. The Mortgagee proposes to construct the improvements located on said premises and, in order to finance the construction thereof, will borrow up to the principal amount of [Eight Million Eight Hundred Thousand] and 00/100 Dollars (\$[8,800,000]) and, upon satisfaction of certain conditions set forth in the Loan Agreement (as hereinafter defined), which will be reduced to a permanent loan in the amount of up to [Three Million One Hundred Fifty Thousand] and 00/100 Dollars (\$[3,150,000]) (collectively, the "Loan") from the Mortgagee pursuant to a borrower loan agreement among Mortgagor and Mortgagee dated the date hereof (as same may be modified and/or amended, the "Loan Agreement"). Mortgagor has executed and delivered to the Mortgagee that certain Borrower Note, dated as of the date hereof, in the principal amount of [Eight Million Eight Hundred Thousand] and 00/100 Dollars (\$[8,800,000]) (together with any modifications, extensions and amendments thereto hereinafter referred to as the "Note"), obligating it to pay the Mortgage Amount (as such amount may be reduced pursuant to the Loan Agreement), or so much thereof as may be advanced in accordance with the terms of the Loan Agreement.

The buildings or Improvements on the Premises are in process of construction or repair, or to be erected or repaired. Mortgagee has agreed to make the Loan to be paid over to Mortgagor in installments as the work progresses, the time and amount of each advancement to be at the sole discretion and upon the estimate of Mortgagee and in accordance with the Loan Agreement, so that when all of the work on the Premises shall have been completed to the satisfaction of Mortgagee, Mortgagee shall then pay over to Mortgagor any balance necessary to advance the full loan of \$[8,800,000]. Mortgagor agrees to complete the erection or repair of said buildings to the satisfaction of Mortgagee within a reasonable time from the date hereof or at the latest on or before [15] months from this date, or such other term as may be approved in writing by the Funding Lender (as such term is defined in the Loan Agreement).

Certain Definitions

The Mortgagor and the Mortgagee agree that, unless the context otherwise specifies or requires the following terms shall have the meanings herein specified, such definitions to be applicable equally to the singular and the plural forms of such terms.

"Chattels" means all fixtures, fittings, appliances, apparatus, equipment, machinery and articles of personal property and replacements thereof, other than those owned by lessees, now or at any time hereafter affixed to, attached to, placed upon, or used in any way in connection with the complete and comfortable use, enjoyment, occupancy or operation of the Improvements on the Premises.

"Events of Default" means the events and circumstances described as such in Section 2.1 hereof.

“Improvements” means all structures and/or buildings, and replacements thereof, to be erected or now or hereafter located upon the Premises by the Mortgagor, including all plant equipment, apparatus, machinery and fixtures of every kind and nature whatsoever forming part of said structures and/or buildings.

“Intangibles” means all “general intangibles” (as such quoted term is defined in the Uniform Commercial Code of the state wherein the Premises are located) in any way relating to the Premises and/or the Improvements and in which the Mortgagor has any interest, all licenses, trade names, good will and books and records relating to the business operated or to be operated on the Premises or any part thereof, and all unearned premiums, accrued, accruing or to accrue under all insurance policies now or hereafter obtained by the Mortgagor insuring the Mortgaged Property, as hereinafter defined, and all rights and interest of Mortgagor thereunder and all rights, claims and/or causes of action which Mortgagor may have now or may have in the future against any party or parties with respect to the Chattels and/or the Premises.

“Involuntary Rate” shall have meaning ascribed to it in the Note.

“Premises” means the leasehold interest in the premises described in Schedule A hereto including all of the air space, easements, rights, privileges, royalties and appurtenances thereunto belonging or in anywise appertaining, and all of the estate, right, title interest, claim or demand whatsoever of the Mortgagor therein and in the streets, alleys and ways adjacent thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired.

The terms used in this Open-End Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (this **“Mortgage”**) which are not defined above have the meaning set forth in the Loan Agreement.

Granting Clause

NOW, THEREFORE, the Mortgagor, in consideration of the premises and in order to secure payment of both the principal of, and the interest and any other sums payable on, the Note or under this Mortgage and the performance and observance of all the provisions hereof and of the Note and of the Loan Agreement, including the payment of any sums advanced by the Mortgagee to complete the Improvements contemplated by the Loan Agreement to the extent the aggregate of such sums and any other sums expended pursuant hereto exceed the sum of the Mortgage Amount (collectively, all of such obligations are hereinafter referred to as the **“Indebtedness”**), hereby gives, grants, bargains, sells, warrants, aliens, remises, releases, conveys, assigns, transfers, mortgages, hypothecates, deposits, pledges, sets over and confirms unto the Mortgagee, all its estate, right, title and leasehold interest in, to and under any and all of the following described property (the **“Mortgaged Property”**) whether now owned or held or hereafter acquired:

- (i) the Premises ;
- (ii) the Improvements;
- (iii) the Chattels;

- (iv) the Intangibles;
- (v) any and all rights of Mortgagor to the Ground Lease, including but not limited to, Mortgagor's right to remain in possession of the Premises, notwithstanding Ground Lessor's bankruptcy, for the term of the Ground Lease; and
- (vi) all rents, royalties, issues, profits, revenue, income and other benefits of the Mortgaged Property (the "**Rents**"), all leases and lettings of the Premises now or hereafter entered into and all right, title and interest of the Mortgagor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms, including further, the right upon the happening of an Event of Default, to receive and collect the Rents thereunder;
- (vii) all real estate tax refunds;
- (viii) the "Permanent Commitment", as that term is defined in the Loan Agreement and all rights, claims and amounts payable to the Mortgagor thereunder;
- (ix) any and all rights of Mortgagor to property tax abatements and other credits relating to the Mortgaged Property (including, without limitation, and if and only to the extent assignable, federal low income housing tax credits (the "**Tax Credit**") under Section 42 of the Internal Revenue Code and all regulations promulgated thereunder, as amended from time to time (the "**Code**") and to refunds of real estate taxes and assessments; provided, however, such Tax Credit shall not be transferred to the Mortgagee unless and until the Mortgagee acquires title to the Mortgaged Property by foreclosure, deed in lieu of foreclosure or otherwise); and shall inure to the benefit of Mortgagee if in compliance with, or as otherwise permitted under the Code;
- (x) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of hazard and title insurance and condemnation awards and all rights of Mortgagor to refunds of real estate taxes and assessments; and
- (xi) all amounts expended by Mortgagee to maintain the lien of this Mortgage or protect any of the Mortgaged Property, including, without limitation, all amounts in respect of insurance premiums and real estate taxes, charges and assessments, litigation expenses to prosecute or defend the rights, remedies and lien of this Mortgage or title to the Mortgaged Property, and any costs, charges or amounts to which Mortgagee becomes subrogated upon payment, whether under recognized principles of law or equity or under express statutory authority, all together with all interest on the said indebtedness, obligations, liabilities, amounts, sums and expenses.

TO HAVE AND TO HOLD unto the Mortgagee, its successors and assigns forever.

ARTICLE I

PARTICULAR COVENANTS OF THE MORTGAGOR

The Mortgagor covenants and agrees as follows:

1.1 The Mortgagor represents and warrants that it has a leasehold interest in the Premises subject to no lien, charge or encumbrance except such as are listed as exceptions to title in the title policy insuring the lien of this Mortgage; that it will own the Chattels free and clear of liens and claims; that this Mortgage is and will remain a valid and enforceable first lien on the Mortgaged Property subject only to the exceptions referred to above; that the execution and delivery of this Mortgage has been duly authorized by the Mortgagor and that the execution and delivery of the Note has been duly authorized by the Mortgagor and that there is no provision in any document which evidences or establishes the existence of the Mortgagor requiring further consent for such action by any other entity or person; that it is duly organized, validly existing and is in good standing under the laws of the state of its formation or incorporation, as the case may be; that it has (i) all necessary licenses, authorizations, registrations, permits and approvals and (ii) full power and authority to own its properties and carry on its business as presently conducted and the execution and delivery by it of and performance of any of its obligations under, this Mortgage and the Note will not result in the Mortgagor being in default under any provisions of any document which evidences or establishes the existence of the Mortgagor or of any mortgage, credit or other agreement to which Mortgagor is a party or which affects the Mortgagor or the Premises, or any part thereof; that it will preserve such title, and will forever warrant and defend the same to the Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all Persons and parties whomsoever.

1.2 The Mortgagor will, at the cost of the Mortgagor, and without expense to the Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as the Mortgagee shall from time to time reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto the Mortgagee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign to the Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage and, on demand, will execute and deliver, and hereby authorizes the Mortgagee to execute and file in the name of the Mortgagor to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Mortgaged Property or any part thereof.

1.3 (a) The Mortgagor forthwith upon the execution and delivery of this Mortgage, and thereafter from time to time, will cause this Mortgage, the Loan Agreement and any security instrument creating a lien or evidencing the lien hereof upon the Chattels and/or the Intangibles and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, and the interest of the Mortgagee in, the Mortgaged Property.

(b) The Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Chattels or the Intangibles, and any instrument of further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposes, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage or any mortgage supplemental hereto, any security instrument with respect to the Chattels and/or the Intangibles or any instrument of further assurance.

1.4 The Mortgagor will punctually pay the principal and interest and all other sums to become due in respect of the Note and the Loan Agreement at the time and place and in the manner specified in the Note, according to the true intent and meaning thereof, all in any coin or currency of the United States of America which at the time of such payment shall be legal tender for the payment of public and private debts and all such principal and interest due in respect of the Note and the Loan Agreement is hereby deemed an obligation due under this Mortgage.

1.5 The Mortgagor, if a corporation, will, so long as it is owner of the Mortgaged Property or any part thereof, do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a limited partnership under the laws of the state of its formation and will comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Mortgagor or to the Mortgaged Property or any part thereof.

1.6 All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Premises or any part thereof, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described in the granting clause hereof, but at any and all times the Mortgagor will execute and deliver to the Mortgagee any and all such further assurances, mortgages, conveyances or assignments thereof as the Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

1.7 (a) The Mortgagor, from time to time when the same shall become due and payable, will pay and discharge all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public charges whether of a like or different nature, imposed upon or assessed against the Mortgaged Property, or any part thereof, or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. The Mortgagor will, upon the request of the Mortgagee, deliver to the Mortgagee receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against the Mortgaged Property, or any part thereof, or the revenues, rents, issues, income or profits thereof. Notwithstanding the foregoing, Mortgagor reserves the right to

dispute said charges pursuant to Section 1.7(c). In the event of disputed real property taxes the Mortgagor will have, unless the failure to pay such taxes results in any lien, in which case the same must be removed, sixty (60) days to resolve such dispute before it is required to bond such obligation or escrow funds with Mortgagor.

The Mortgagor shall fund thereafter at the time of each payment of an installment of interest or principal under the Note, deposit an additional amount equal to one twelfth (1/12) of the amount that is sufficient to discharge the obligations under this subsection (a) and under Section 1.9(a) when they become due. The determination of the amount so payable and of the fractional part thereof to be deposited with the Mortgagee, so that the aggregate of such deposit shall be sufficient for this purpose, shall be made by the Mortgagee in its reasonable discretion. Such amounts shall be held by the Mortgagee with interest and applied to the payment of the obligations in respect to which such amounts were deposited or, at the option of the Mortgagee, to the payment of said obligations in such order or priority as the Mortgagee shall determine, on or before the respective dates on which the same or any of them would become delinquent. If one month prior to the due date of any of the aforementioned obligations the amounts then on deposit therefor shall be insufficient for the payment of such obligation in full, the Mortgagor within ten (10) days after demand shall deposit the amount of the deficiency with the Mortgagee. Nothing herein contained shall be deemed to affect any right or remedy of the Mortgagee under any provisions of this Mortgage or of any statute or rule of law to pay any such amount and to add the amount so paid to the Indebtedness, provided, however, that Mortgagor shall first apply amounts held in escrow pursuant to this subsection before advancing Mortgagee funds and increasing the amount of the Indebtedness.

(b) The Mortgagor will pay, or bond in form and substance reasonable satisfactory to the Mortgagee, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom and in general will do or cause to be done everything necessary so that the lien of this Mortgage shall be fully preserved, at the cost of the Mortgagor, without expense to the Mortgagee.

(c) Nothing in this Section 1.7 shall require the payment or discharge of any obligation imposed upon the Mortgagor by this Section so long as the Mortgagor shall in good faith and at its own expense bond such obligation, contest the same or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection thereof or other realization thereon and the sale or forfeiture of the Premises or any part thereof to satisfy the same; provided that during such contest the Mortgagor shall, at the option of the Mortgagee, provide security reasonably satisfactory to the Mortgagee, assuring the discharge of the Mortgagor's obligation hereunder and of any additional charge, penalty or expense arising from or incurred as a result of such contest; and provided further, that if at any time payment of any obligation imposed upon the Mortgagor by subsection (a) of this Section shall become necessary to prevent the delivery of a tax deed, or its equivalent, conveying the Mortgaged Property, or any part thereof, because of non-payment, then the Mortgagor shall pay the same in sufficient time to prevent the delivery of such tax deed or its equivalent.

1.8 The Mortgagor will pay any and all taxes, governmental charges, fees and/or levies by reason of Mortgagee's ownership of the Note or this Mortgage and/or resulting from the exercise by Mortgagee of any of its rights and/or remedies provided for under this Mortgage, except for income taxes of Mortgagee, and any similar gains tax law which may hereafter be enacted. The obligations assumed by Mortgagor pursuant to this Section 1.8 shall survive the exercise by Mortgagee of any of its rights and/or remedies under this Mortgage.

1.9 (a) The Mortgagor shall comply with all insurance requirements contained in Exhibit A attached hereto. The Mortgagor will assign and deliver the policy or policies of all such insurance to the Mortgagee, which policy or policies shall have endorsed thereon the standard Connecticut mortgage clause in the name of the Mortgagee, so and in such manner and form that the Mortgagee and its successors and assigns shall at all times have and hold said policy or policies as collateral and further security for the payment of the Indebtedness until the full payment of the Indebtedness. In addition, from time to time, upon the occurrence of any change in (i) the use, operation or value of the Premises that would render the existing insurance inadequate, or (ii) the availability of insurance in the area in which the Premises are located, Mortgagor shall, within twenty (20) days after demand by the Mortgagee, take out such additional amounts and/or such other kinds of insurance as the Mortgagee may reasonably require.

(b) The Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 1.9, unless the Mortgagee is included thereon as a named insured with loss payable to the Mortgagee under a standard mortgagee endorsement of the character above described. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.

(c) If the Premises, or any part thereof, are located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area, the Mortgagor will keep, for as long as any Indebtedness remains unpaid, the Improvements covered by flood insurance in an amount at least equal to the full amount of the Note or the maximum limit of coverage available for the Premises under the National Flood Insurance Act of 1968, as amended by the National Flood Insurance Reform Act of 1994 (44 CFR part 59), whichever is less.

(d) The Mortgagor shall give the Mortgagee prompt notice of any loss covered by insurance and the Mortgagee shall have the right to join the Mortgagor in adjusting any loss in excess of \$250,000.00. Notwithstanding anything to the contrary contained herein or any provision of applicable law, the proceeds of insurance policies coming into the possession of the Mortgagee shall not be deemed trust funds and the Mortgagee shall have the option in its sole discretion to apply any insurance proceeds it may receive pursuant thereto, or otherwise, to the payment of the Indebtedness or to allow all or a portion of such proceeds to be used for the restoration of the Premises. In the event any such insurance proceeds shall be used to reduce the Indebtedness, the same shall be applied by the Mortgagee, after the deduction therefrom and repayment to the Mortgagee of any and all costs incurred by the Mortgagee in the recovery thereof, in any manner it shall designate, including but not limited to, the application of such proceeds to the then unpaid installments of the principal balance due under the Note in the

inverse order of their maturity, such that the regular payments, if any, under the Note shall not be reduced or altered in any manner. In the event that the Mortgagee elects to allow the use of such proceeds for the restoration of the Premises, then such use by the Mortgagor and the advancing by the Mortgagee of the proceeds shall be governed, at the election of the Mortgagee, by the terms and conditions for making advances under the Loan Agreement.

(e) Notwithstanding the foregoing, provided no Event of Default exists hereunder, the Mortgagee shall allow the use of such proceeds for the restoration of the "Improvements", as defined in the Loan Agreement, and Chattels, provided the Mortgagee and "Construction Consultant", as such term is defined in the Loan Agreement, determine that the amount of such insurance proceeds plus the undisbursed portion of the Loan, and any available equity or other funds of the Mortgagor shall be sufficient to complete the Improvements on or before the "Completion Date", as defined in the Loan Agreement. In the event the Mortgagee shall allow the use of such proceeds for the restoration of the "Improvements", as defined in the Loan Agreement, the Mortgagor shall diligently prosecute completion of the Improvements in accordance with the terms of the Loan Agreement, and the insurance proceeds and/or the amount of any such deposits shall be disbursed to the Mortgagor under the same terms and conditions for the advancing of loan proceeds under the Loan Agreement except that if the damage is less than \$250,000.00, then the proceeds subject to the Regulatory Agreements (as such terms are defined in the Loan Agreement) shall be disbursed to the Mortgagor in one advance upon completion of the restoration; amounts not required for such purposes shall be applied, at Mortgagee's option, to the prepayment of the Note and to interest, if any, accrued and unpaid thereon in such order and proportions as Mortgagee may elect. In the event that such proceeds are reasonably determined by Mortgagee to be inadequate, Mortgagee shall have received from Mortgagor a cash deposit equal to the excess of said estimated cost of restoration over the amount of said available proceeds. If the conditions for the advance of insurance proceeds for restoration set forth above are not satisfied within sixty (60) days of Mortgagee's receipt thereof or if the actual restoration shall not have been commenced within such period, Mortgagee shall have the option at any time thereafter to apply such insurance proceeds to the payment of the Note and to interest, if any, accrued and unpaid thereon in such order and proportions as Mortgagee may elect.

1.10 If the Mortgagor shall fail to perform any of the covenants contained in Section 1.1, 1.3, 1.7, 1.8, 1.9, 1.12 or 1.15, the Mortgagee may make advances to perform the same in its behalf, and all sums so advanced shall be a lien upon the Mortgaged Property and shall be secured hereby. The Mortgagor will repay, within ten (10) ten days of receipt of written demand from Mortgagee all sums so advanced on its behalf with interest at the Involuntary Rate. The provisions of this Section 1.10 shall not prevent any default in the observance of any covenant contained in said Section 1.1, 1.3, 1.7, 1.8, 1.9, 1.12 or 1.15 from constituting an Event of Default.

1.11 (a) The Mortgagor will keep adequate records and books of account in accordance with generally accepted accounting principles and will permit the Mortgagee, by its agents, accountants and attorneys, to visit and inspect the Premises and examine its records and books of account and to discuss its affairs, finances and accounts with the officers of the Mortgagor, at such reasonable times as may be requested by the Mortgagee.

(b) The Mortgagor will deliver to the Mortgagee with reasonable promptness, but in no event later than one hundred twenty (120) days after the close of its fiscal year, a balance sheet and statement of profit and loss setting forth in each case, in comparative form, figures for the preceding year. Throughout the term of this Mortgage, the Mortgagor, with reasonable promptness, will deliver to the Mortgagee such other information with respect to the Mortgagor as the Mortgagee may reasonably request from time to time. All financial statements of the Mortgagor shall be prepared in accordance with generally accepted accounting principles, shall be delivered in duplicate, and shall be accompanied by the certificate of a principal financial or accounting officer of the Mortgagor, dated within five (5) days of the delivery of such statements to the Mortgagee, stating that he knows of no Event of Default, nor of any default which after notice or passage of time or both would constitute an Event of Default, which has occurred and is continuing, or, if any such default or Event of Default has occurred and is continuing, specifying the nature and period of existence thereof and what action the Mortgagor has taken or proposes to take with respect thereto, and, except as otherwise specified, stating that the Mortgagor has fulfilled all its obligations under this Mortgage which are required to be fulfilled on or prior to the date of such certificate.

(c) The Mortgagor, within fifteen (15) days upon request by mail or within five (5) days upon request in person will furnish a written statement duly acknowledged of the amount due whether for principal or interest on the Note and whether any offsets, counterclaims or defenses exist against the Mortgagee or the Indebtedness or any part thereof.

1.12 The Mortgagor will not commit any waste on the Mortgaged Property, or any part thereof, or make any change in the use of the Mortgaged Property, or any part thereof, which will in any way increase any ordinary fire or other hazard arising out of construction or operation. The Mortgagor will, at all times, maintain the Improvements in good operating order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end.

1.13 The Mortgagor, immediately upon obtaining actual knowledge of the institution of any proceedings for the condemnation of the Premises, or any part thereof, will notify the Mortgagee of the pendency of such proceedings. The Mortgagee may participate in any such proceedings and the Mortgagor from time to time will deliver to the Mortgagee all instruments requested by it to permit such participation. In the event of such condemnation proceedings, the award or compensation payable is hereby assigned to and shall be paid to the Mortgagee. The Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid subject to Mortgagor's consent, which shall not be unreasonably withheld. In any such condemnation proceedings the Mortgagee may be represented by counsel selected by the Mortgagee. The proceeds of any award or compensation so received shall, at the option of the Mortgagee, either be applied toward the payment of the Indebtedness, notwithstanding the fact that the Indebtedness may not then be due and payable, or to the restoration of the Improvements. In the event that any portion of the condemnation awards or compensation shall be used to reduce the Indebtedness, the same shall be applied by the Mortgagee in any manner it shall designate, including, but not limited to, the application of such award or compensation to the then unpaid installments of the principal balance due under the Note in the inverse order of their maturity such that the regular payments under the Note shall not be reduced or altered in any manner.

The Mortgagor, upon request by the Mortgagee, shall make, execute and deliver any and all instruments requested for the purpose of confirming the assignment of the aforesaid awards and compensation to the Mortgagee free and clear of any liens, charges or encumbrances of any kind or nature whatsoever. The Mortgagee shall not be limited to the interest paid on the proceeds of any award or compensation, but shall be entitled to the payment by the Mortgagor of interest at the applicable rate provided for in the Note.

1.14 (a) The Mortgagor will not (i) except with respect to the Permitted Encumbrances execute an assignment of the rents, or any part thereof, from the Premises, or (ii) terminate or consent to the cancellation or surrender of any lease of the Premises, or any part thereof, now existing or hereafter to be made, other than in the ordinary course of business with respect to residential tenants, or (iii) accept prepayments of any installments of rents to become due under such leases, except prepayments in the nature of security for the performance of the lessees thereunder, or (iv) in any other manner impair the value of the Mortgaged Property or the security of this Mortgage without the written consent of the Mortgagee, which consent shall not be unreasonably withheld.

(b) Except for residential leases executed in the standard form previously approved by Mortgagee, the Mortgagor will not execute any lease of all or any portion of the Premises, without first obtaining the written consent of Mortgagee, and will at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all such approved leases, on the part of the lessor thereunder to be kept and performed and will at all times do all things necessary to compel performance by the lessee under each lease of all obligations, covenants and agreements by such lessee to be performed thereunder. If any of such leases provide for the giving by the lessee of certificates with respect to the status of such leases, the Mortgagor shall exercise its right to request such certificates within five (5) days of any demand therefor by the Mortgagee.

(c) The Mortgagor shall furnish to the Mortgagee, within fifteen (15) days after a request by the Mortgagee to do so, a written statement containing the names of all lessees of the Premises, the terms of their respective leases, the space occupied and the rentals payable thereunder.

1.15 The Mortgagor will cause the Improvements to be constructed substantially in accordance with the terms of the Loan Agreement, will prosecute such construction with due diligence, and will comply with the covenants made by it in the Loan Agreement, all of which are incorporated herein by reference as though set forth herein, and will permit no "Event of Default", as therein defined, to occur thereunder.

1.16 To the extent not so provided by applicable law each lease of the Premises, or of any part thereof, shall provide that, in the event of the enforcement by the Mortgagee of the remedies provided for by law or by this Mortgage, the lessee thereunder will, upon request of any person succeeding to the interest of the Mortgagor as a result of such enforcement, automatically become the lessee of said successor in interest, without change in the terms or other provisions of such lease, provided, however, that said successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance, except prepayments in the nature of security for the performance by said lessee of its obligations under

said lease, or (ii) any amendment or modification of the lease made without the consent of the Mortgagee or such successor in interest. Each lease shall also provide that, upon request by said successor in interest, such lessee shall execute and deliver an instrument or instruments confirming such attornment.

1.17 In the event any payment provided for herein or in the Note shall become overdue for a period in excess of fifteen (15) days, a late charge of four (4) cents for each dollar so overdue shall become immediately due to the Mortgagee for the purpose of defraying the expenses incident to handling such delinquent payment, and such charge shall be deemed to be part of the Indebtedness and therefore secured by the lien of this Mortgage. Late charges shall be payable with the next installment of principal and/or interest due under the Note.

1.18 [Intentionally Omitted]

1.19 The Mortgagor agrees that it shall indemnify and hold the Mortgagee harmless against any loss or liability, cost or expense, including without limitation, any judgments, reasonable attorneys' fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging priority over the lien of this Mortgage.

1.20 The Mortgagor expressly covenants and agrees to pay in full the reasonable fees and expenses of the Mortgagee's counsel, promptly upon receipt of a statement therefor, which are incurred prior to and after the date hereof and which fees and expenses arise in connection with any matter incidental to the loan which is evidenced by the Note and secured by this Mortgage.

1.21 Except as described in reports listed in Exhibit B attached hereto (the "**Environmental Reports**"), the Mortgagor hereby represents, warrants, covenants and agrees that the Premises and the Improvements complies and shall hereafter comply with all laws, rules, regulations and ordinances of the state and the local governmental authorities where the Premises are located and the United States of America relating to the storage, use, disposal, generation, transportation, and/or treatment of hazardous, toxic and/or radioactive matter and/or waste, including without limitation asbestos (collectively "**Toxic Materials**"). If the presence of Toxic Materials on the Premises or in any Improvements has resulted in, and/or shall hereafter result in (a) contamination or deterioration of water or soil to a level of contamination greater than the levels permitted or established by any governmental agency or authority having jurisdiction over such contamination, (b) the termination or modification of any permit or authorization as to the use and/or occupancy of the Premises or Improvements and/or (c) the inability to obtain or maintain insurance policies satisfactory to the Mortgagee, then Mortgagor covenants and agrees to promptly take any and all action necessary to clean up such contamination to the extent required by any such governmental agency or authority and/or issuer of an insurance policy. Mortgagor covenants and agrees to indemnify the Mortgagee and any affiliate or nominee of Mortgagee and hold the Mortgagee and any affiliate or nominee of Mortgagee harmless from any and all liabilities, losses, costs and/or expenses arising out of and/or resulting from the existence and/or the removal of any Toxic Materials at, on, and/or in the Premises or any part or parts thereof or the Improvements or any part or parts thereof and/or the effects of any such Toxic Materials located at, on and/or in the Premises or any part or parts thereof or the Improvements or any part or parts thereof except for matters caused by Mortgagee. The foregoing indemnity

shall survive any foreclosure sale of the Premises and any delivery by the Mortgagor and the acceptance by Mortgagee of a deed in lieu of foreclosure of the Premises.

1.22 Except as otherwise permitted under the Loan Agreement, Mortgagor shall neither modify, amend, terminate, change or renew the agreement with the “Manager” (as defined in the Loan Agreement) for the management of the Premises nor change the Manager of the Premises without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld.

(End of Article I)

ARTICLE II

EVENTS OF DEFAULT AND REMEDIES

2.1 If one or more of the following “Events of Default” shall happen, that is to say:

(a) If the Borrower shall continue to be in default under any of the provisions of this Agreement for ten (10) days after the due date therefor in the case of any default which can be cured by the payment of a sum of money; or

(b) if default shall be made in the due observance or performance of any covenant or agreement on the part of the Mortgagor contained in Section 1.1, 1.3, 1.8, or 1.9, and such default shall have continued for a period of thirty (30) days after written notice thereof shall have been given to the Mortgagor by the Mortgagee. For the purposes of this clause if any representation made in Section 1.1 shall be incorrect, it shall be deemed to be a default; or

(c) if default shall be made in the due observance or performance of any other covenant or condition on the part of the Mortgagor in the Note, the Loan Agreement or in this Mortgage contained, and such default shall have continued for a period of thirty (30) days after written notice specifying such default and demanding that the same be remedied shall have been given to the Mortgagor by the Mortgagee; provided, however, if, in Mortgagee’s reasonable judgment said failure to comply is not capable of being cured within said thirty (30) day period and is not curable by the payment of money, then the Mortgagor shall have such additional time as Mortgagee deems reasonably necessary, but not to exceed an additional thirty (30) days in the aggregate, to cure such failure provided that (i) Mortgagor promptly proceeds to commence curing said failure to comply upon receipt of notice of said failure from Mortgagee, (ii) in the reasonable judgment of Mortgagee, Mortgagor thereafter diligently and continuously proceeds to cure said failure so as to cure said failure in the shortest time possible, (iii) such additional time to cure does not materially impair any rights and/or remedies of Mortgagee and will not adversely affect the completion of the Improvements by the Completion Date and (iv) the Mortgagor furnishes to Mortgagee, upon demand of Mortgagee, such documents and information with respect to Mortgagor’s curing of said failure to comply, as Mortgagee may reasonably request; or

(d) if by the order of a court of competent jurisdiction, a trustee, receiver or liquidator of the Mortgaged Property, or any part thereof, or of the Mortgagor shall be appointed and such order shall not be discharged or dismissed within sixty (60) days after such appointment; or

(e) if the Mortgagor shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Mortgagor or of any substantial part of its property, or if the Mortgagor shall make any general assignment for the benefit of creditors, or if the Mortgagor shall fail generally to pay its debts as such debts become due, or if the Mortgagor shall take any action in furtherance of any of the foregoing; or

(f) if any of the creditors of the Mortgagor shall commence against the Mortgagor an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect and if such case shall not be discharged or dismissed within ninety (90) days after the date on which such case was commenced; or

(g) One or more judgments, decrees or orders for the payment of money in excess of One Hundred Thousand Dollars (\$100,000.00) in the aggregate shall be rendered against the Borrower, the General Partner or any Guarantor, and such judgment, decree or order shall continue unsatisfied for a period of thirty (30) consecutive days without being vacated, discharged, satisfied or stayed or bonded pending appeal; or

(h) if the Mortgagor sells, transfers, assigns, conveys, mortgages, hypothecates, pledges, sets over and/or grants any security interest in the Premises or any part thereof or any interest therein without the prior written consent of the Mortgagee, except as provided in Section 8.6(b) of the Loan Agreement; or

(i) if the Mortgagor defaults beyond any applicable notice and cure periods under any other agreement with the Mortgagee; or

(j) if a default of Mortgagor after all applicable notice and cure periods occurs under the Ground Lease, any Subsidy Loan (as defined in the Loan Agreement), or any Regulatory Agreement, as such terms are defined in the Loan Agreement; or

(k) except as provided in the Loan Agreement, if any partnership interest in the Mortgagor shall be sold, assigned, transferred, conveyed, mortgaged, pledged, hypothecated or alienated without the prior written consent of the Mortgagee which shall not be unreasonably withheld, conditioned or delayed; or

(l) except as otherwise permitted under the Loan Agreement, if Mortgagor incurs any additional indebtedness, with the exception of the Building Loan, the Subsidy Loan and trade payables customarily incurred in the ordinary course of business without the prior written consent of Mortgagee; or

(m) if any person or entity having or claiming an interest in the Mortgagor or the Mortgaged Property commences an action or proceeding against the Mortgagor, the Mortgaged Property or any person or entity having or claiming an interest in the Mortgagor or the Mortgaged Property and such action or proceeding shall be finally determined in a manner that adversely affects Mortgagee's rights, remedies and/or position hereunder,

then and in every such case:

(I) During the continuance of any such Event of Default the Mortgagee, by written notice given to the Mortgagor, may declare the entire principal of the Note then outstanding (if not then due and payable), and all accrued and unpaid interest thereon together with all other Indebtedness, to be due and payable immediately, and upon any such declaration the principal of the Note, said accrued and unpaid interest thereon and all other Indebtedness shall become

and be immediately due and payable, anything in the Note, in this Mortgage or in the Loan Agreement to the contrary notwithstanding;

(II) During the continuance of any such Event of Default, the Mortgagee personally, or by its agents or attorneys, may enter into and upon all or any part of the Premises, and each and every part thereof, and may exclude the Mortgagor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Premises and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, the Mortgagee, at the expense of the Mortgaged Property, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, whereof it shall become possessed as aforesaid, may complete the construction of the Improvements and in the course of such completion may make such changes in the contemplated Improvements as it may deem desirable and may insure the same; and likewise, from time to time, at the expense of the Mortgaged Property, the Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case the Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of the Mortgagor with respect thereto either in the name of the Mortgagor or otherwise as it shall deem best; and the Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof, all of which shall for all purposes constitute property of the Mortgagor; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property, or any part thereof, as well as just and reasonable compensation for the services of the Mortgagee and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, the Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of the principal of the Note and the interest thereon, when and as the same shall become payable and second, to the payment of any other Indebtedness and sums required to be paid by the Mortgagor under this Mortgage;

(III) The Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable, may:

(1) sell the Mortgaged Property or any part or parts thereof to the extent permitted and pursuant to the procedures provided by law and commencing a non-judicial foreclosure by power of sale, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as an entity or in parcels, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law; and/or

(2) institute proceedings for the complete or partial foreclosure of this Mortgage; and/or

(3) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in the Loan Agreement or in this Mortgage, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Mortgagee shall elect; and/or

(4) the Mortgagee also shall have such other rights and/or remedies provided to mortgagee and/or a secured party by the Uniform Commercial Code as that model statute is enacted and in effect in the jurisdiction wherein the Premises are situated.

(IV) The Mortgagee also shall have such other rights and/or remedies provided to a mortgagee and/or secured party by the Uniform Commercial Code, as that model statute is enacted and in effect in the jurisdiction wherein the Premises are situated.

Notwithstanding anything to the contrary contained herein, Mortgagee hereby agrees that any cure of any default made or tendered by one or more of Mortgagor's limited partners within the applicable notice and cure period that is granted to Mortgagor herein shall be deemed to be a cure by Mortgagor and shall be accepted or rejected on the same basis as if made or tendered by Mortgagor. This right to cure shall not be construed to extend any applicable notice and cure period provided for remedying a default hereunder.

2.2 (a) The Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, the Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by the Mortgagee under or by virtue of this Article II, the Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold and shall execute and deliver to the appropriate governmental authority any affidavit, instrument, document and/or filing required pursuant to any applicable statute, ordinance, rule and/or regulation. The Mortgagee is hereby irrevocably appointed the true and lawful attorney of the Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose the Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, including, without limitation, any affidavit, instrument, document or filing required pursuant to any applicable statute, rule or regulation and may substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming

all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless the Mortgagor, if so requested by the Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to the Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the reasonable judgment of the Mortgagee, for that purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings of sale, herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof, from, through or under the Mortgagor.

(c) In the event of any sale made under or by virtue of this Article II (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the entire principal of, and interest on, the Note, if not previously due and payable, and all other sums required to be paid by the Mortgagor pursuant to this Mortgage, immediately thereupon shall, anything in the Note or in this Mortgage to the contrary notwithstanding, become due and payable.

(d) The purchase money, proceeds or avails of any sale made under or by virtue of this Article II, together with any other sums which then may be held by the Mortgagee under this Mortgage, whether under the provisions of this Article II or otherwise, shall be applied as follows:

First: To the payment of the costs and expenses of such sale, including, but not limited to, the reasonable compensation to the Mortgagee, its agents and counsel, and any sums that may be due under and/or pursuant to any statute, rule, regulation and/or law which imposes any tax, charge, fee and/or levy in connection with and/or arising from the exercise of any right and/or remedy under this Mortgage or the requirement that any sum be paid in order to record and/or file any deed, instrument of transfer or other such document in connection with any such sale, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by the Mortgagee under this Mortgage, together with interest at the Involuntary Rate on all advances made by the Mortgagee and all taxes or assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

Second: To the payment of the whole amount then due, owing or unpaid upon the Note for principal and interest, with interest on the unpaid principal at the Involuntary Rate from and after the happening of any Event of Default described in Section 2.1 from the due date of any such payment of principal until the same is paid.

Third: To the payment of any other Indebtedness and any other sums required to be paid by the Mortgagor pursuant to any provision of this Mortgage, the Note or the Loan Agreement.

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

(e) Upon any sale made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Mortgagee may bid for and acquire the Mortgaged Property, or any part thereof, and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of the Mortgagor secured by this Mortgage the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Mortgage.

2.3 (a) In case an Event of Default described in Section 2.1 shall have happened and be continuing, then, upon written demand of the Mortgagee, the Mortgagor will pay to the Mortgagee the whole amount which then shall have become due and payable on the Note, for principal or interest or both, as the case may be, and after the happening of said Event of Default will also pay to the Mortgagee interest at the Involuntary Rate on the then unpaid principal of the Note, and the sums required to be paid by the Mortgagor pursuant to any provision of this Mortgage, and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Mortgagee, its agents, and counsel and any reasonable expenses incurred by the Mortgagee hereunder. In the event the Mortgagor shall fail forthwith to pay such amounts upon such demand, the Mortgagee shall be entitled and empowered to institute such action or proceedings at law or in equity as may be advised by its counsel for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Mortgagor and collect, out of the property of the Mortgagor wherever situated, as well as out of the Mortgaged Property, in any manner provided by law, money adjudged or decreed to be payable.

(b) The Mortgagee shall be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the provisions of this Mortgage; and the right of the Mortgagee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage, or the foreclosure of the lien hereof; and in the event of a sale of the Mortgaged Property, or any part thereof, and of the application of the proceeds of sale, as in this Mortgage provided, to the payment of the debt hereby secured, the Mortgagee shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon the Note, and to enforce payment of all other charges, payments, costs and amounts due under this Mortgage, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest at the Involuntary Rate. In case of the commencement of any case against the Mortgagor under any applicable bankruptcy, insolvency or other similar law now or hereinafter in effect or any proceedings for its reorganization or involving the liquidation of its assets, then the Mortgagee shall be entitled to prove the whole amount of principal and interest due upon the Note to the full amount thereof, and all other payments, charges, costs and amounts due under this Mortgage, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Mortgaged Property; provided, however, that in no case shall the Mortgagee receive a greater amount than such principal and interest and such other payments, charges and costs from the aggregate amount of the proceeds of the sale of the Mortgaged Property and the distribution from the estate of the Mortgagor.

(c) No recovery of any judgment by the Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of the Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property, or any part thereof, of any liens, rights, powers or remedies of the Mortgagee hereunder, but such liens, rights, powers and remedies of the Mortgagee shall continue unimpaired as before.

(d) Any moneys thus collected by the Mortgagee under this Section 2.3 shall be applied by the Mortgagee in accordance with the provisions of subsection (d) of Section 2.2.

2.4 After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceedings by the Mortgagee to obtain judgment for the principal of, or interest on, the Note and/or all other Indebtedness and/or other sums required to be paid by the Mortgagor pursuant to any provision of this Mortgage, or of any other nature in aid of the enforcement of the Note or of this Mortgage, the Mortgagor will (a) waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceeding, and (b) if required by the Mortgagee, consent to the appointment of a receiver or receivers of the Mortgaged Property, or any part thereof, and of all the earnings, revenues, rents, issues, profits and income thereof. After the happening of any Event of Default and during its continuance, or upon the commencement of any proceedings to foreclose this Mortgage or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Mortgagee, the Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the Indebtedness, forthwith either before or after declaring the unpaid principal of the Note to be due and payable, to the appointment of such a receiver or receivers.

2.5 Notwithstanding the appointment of any receiver, liquidator or trustee of the Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, the Mortgagor shall be entitled to retain possession and control of all Property now or hereafter held under this Mortgage.

2.6 No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or under the Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission of the Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or any acquiescence therein; and every power and remedy given by this Mortgage to the Mortgagee may be exercised from time to time as often as may be deemed expedient by the Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of the Mortgagor to pay the principal of, and interest on, the Note in the manner and at the time and place therein respectively expressed.

2.7 The Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property, or any part thereof, wherever

enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold, or any part thereof, and the Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

2.8 During the continuance of any Event of Default and pending the exercise by the Mortgagee of its right to exclude the Mortgagor from all or any part of the Mortgaged Property, Mortgagor agrees to pay the fair and reasonable rental value for the use and occupancy of the Mortgaged Property, or any part thereof, which are in its possession for such period, and upon default of any such payment, will vacate and surrender possession of the Mortgaged Property to the Mortgagee or to a receiver, if any, and if in default thereof may be evicted by any summary action or proceeding for the recovery of possession of premises for non-payment of rent, however designated.

(End of Article II)

ARTICLE III

MISCELLANEOUS

3.1 In the event any one or more of the provisions contained in this Mortgage or in the Note or in the Loan Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

3.2 All notices and/or consents, hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when delivered in person or one (1) day after being sent by a nationally recognized overnight delivery service (e.g. FedEx) to any party hereto at its address above stated, with a copy to Hoopes Morganthaler Rausch & Scaramozza LLC, CityPlace II, 185 Asylum Street, Hartford, Connecticut 06103, Attention: Melanie Rausch, Esq., with a copy to RBC Tax Credit Equity, LLC, 600 Superior Avenue, Suite 2300, Cleveland, Ohio 44114, Attention: President and General Counsel, with a copy to Nixon Peabody LLP, 100 Summer Street, Boston, Massachusetts 02110, Attention: Roger W. Holmes (in the case of the Mortgagee to the attention of Alisha Ozeri, 237 Park Avenue, Floor 6, New York, New York 10017, with copy to Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Aviva Yakren, Esq., with a copy to Mortgagees' address set forth on the cover page of this Mortgage to the attention of Chief Executive Officer/Executive Director) or at such other address of which it shall have notified the party giving such notice in writing as aforesaid.

3.3 Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice.

3.4 All of the grants, terms, conditions, provisions and covenants of this Mortgage shall run with the land, shall be binding upon the Mortgagor and shall inure to the benefit of the Mortgagee, subsequent holders of this Mortgage and their respective successors and assigns. For the purpose of this Mortgage, the term "Mortgagor" shall include and refer to the Mortgagor named herein, any subsequent owner of the Mortgaged Property, or any part thereof, and their respective heirs, executors, legal representatives, successors and assigns. If there is more than one Mortgagor, all their undertakings hereunder shall be deemed joint and several.

3.5 The enforcement of this Mortgage shall be governed, construed and interpreted by the laws of the State where the Premises are located. Nothing in this Mortgage, the Note or in any other agreement between the Mortgagor and the Mortgagee shall require the Mortgagor to pay, or the Mortgagee to accept, interest in an amount which would subject the Mortgagee to pay any penalty or forfeiture under applicable law. In the event that the payment of any charges, fees or other sums due hereunder or under the Note or any such other agreement which are or could be held to be in the nature of interest and which would subject the Mortgagee to any penalty or forfeiture under applicable law, then *ipso facto* the obligations of the Mortgagor to make such payment shall be reduced to the highest rate authorized under applicable law. Should the Mortgagee receive any payment which is or would be in excess of the highest rate authorized

under law, such payment shall have been, and shall be deemed to have been, made in error and shall automatically be applied to reduce the outstanding balance of the Indebtedness.

3.6 The truth, accuracy, adequacy and completeness of the representations, warranties and covenants contained in this Mortgage and the Note shall survive, and not merge with, the execution and delivery of this Mortgage and the Note.

3.7 Whenever the consent or approval of the Mortgagee is required, the decision whether to consent or approve shall be in the sole and absolute but reasonable discretion of the Mortgagee.

3.8 This Mortgage, the Note and all other documents executed and delivered in connection herewith or therewith shall be given a fair and reasonable construction in accordance with the intention of the parties as expressed herein and therein and without regard for any rule of law requiring construction against the party who prepares such instruments.

3.9 The Mortgagor expressly agrees, intending that the Mortgagee rely thereon, that this Mortgage also shall constitute a "security agreement," as such term is defined in the Uniform Commercial Code in the jurisdiction wherein the Premises are situated (the "Code"). To secure the payment of the Indebtedness and the performance of all obligations under this Mortgage, the Note and all other documents executed and delivered in connection herewith or therewith, the Mortgagor hereby grants to the Mortgagee a security interest in all of the Mortgagor's right, title and interest in, to and under the following property, whether now owned or existing or hereafter acquired or arising: (i) that portion of the Mortgaged Property that constitutes personal property under the Code, (ii) any accounts, chattel paper, inventory, equipment, instruments, investment property, documents, deposit accounts, commercial tort claims, letter-of-credit rights, goods, general intangibles and supporting obligations (each term in this clause (ii) having the meaning given to it under the Code), (iii) all renewals, replacements of any of the aforementioned items, or articles in substitution therefor or in addition thereto and (iv) all proceeds and products of the foregoing (said property described in clauses (i) through (iv) is hereinafter referred to collectively as the "Collateral"). The foregoing sentence is intended to grant in favor of the Mortgagee a first priority continuing lien and security interest in all of the Mortgagor's assets. The Mortgagor authorizes the Mortgagee and its counsel to file UCC financing statements in form and substance satisfactory to the Mortgagee, describing the collateral as "all assets of the Mortgagor, whether now owned or existing or hereafter acquired or arising, and all proceeds and products thereof, including, without limitation, all fixtures on the Premises" or words to that effect, and any limitations on such collateral description, notwithstanding that such collateral description may be broader in scope than the Collateral. If any Event of Default shall occur, the Mortgagee shall have, in addition to any and all other rights and remedies set forth in this Mortgage, and may exercise without demand, any and all rights and remedies granted to a secured party under the Code, including, but not limited to, the right to take possession of the Collateral, or any part thereof, and the right to advertise and sell the Collateral, or any part thereof, pursuant to and in accordance with the power of sale provided for in this Mortgage. The Mortgagor agrees that any notice of sale or other action intended by the Mortgagee with respect to the Collateral, or any part thereof, shall constitute reasonable notice if it is sent to the Mortgagor not less than ten (10) days prior to any such sale or intended action. The proceeds of

any such sale of the Collateral, or any part thereof, shall be applied in the manner set forth in clauses First through Fourth of Section 2.2(d) of this Mortgage.

3.10 All covenants hereof shall be construed as affording to the Mortgagee rights additional to and not exclusive of the rights conferred under any applicable law.

3.11 This Mortgage and all of the terms, covenants, provisions, conditions and grants contained in this Mortgage cannot be altered, amended, waived, modified or discharged orally and no executory agreement shall be effective to modify, waive or discharge, in whole or in part, anything contained in this Mortgage unless it is in writing and signed by the party against whom enforcement of the modification, alteration, amendment, waiver or discharge is sought.

3.12 The Mortgagor acknowledges that it has received a true copy of this Mortgage.

3.13 This Mortgage may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same mortgage.

3.14 This Mortgage does not cover real property principally improved or to be improved by one or more structures containing in the aggregate not more than six (6) residential dwelling units, each having their own separate cooking facilities.

3.15 The information set forth on the cover hereof is hereby incorporated herein.

3.16 The Mortgagor represents and warrants that it has no offsets, defenses or counterclaims to the payment of the Mortgage Amount.

3.17 The Mortgage and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed and enforced in accordance with the laws of the State of Connecticut (without giving effect to Connecticut's principles of conflicts of law). Mortgagor and Mortgagee hereby irrevocably submit to the non-exclusive jurisdiction of any Connecticut or Federal court sitting in the City of Stamford (or any county where the property is located) over any suit, action or proceeding arising out of or relating to this Mortgage, and Mortgagor 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 Connecticut or Federal court sitting in the City of Stamford (or such other county in Connecticut) may be made by certified or registered mail, return receipt requested, directed to Mortgagor at the address indicated on the cover page hereof, with a copy to the Mortgagor's Counsel, and service so made shall be complete five (5) days after the same shall be complete five (5) days after the same shall have been so mailed.

Notwithstanding anything to the contrary herein (other than the provisions of the last sentence of this section), the Mortgagee agrees that it will look solely to the property and the assets of the Mortgagor and to the Mortgaged Property and to the property and assets of the Guarantor(s) to the extent of his (its) or their liability under any of the "Guaranties" and/or the "Indemnity" as those terms are defined in the Loan Agreement and no other property or assets of the Mortgagor, its (their) principals, officers, directors, partners, shareholders or its successors and assigns shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies

of the Mortgagee or for any payment required to be made under this Mortgage or the Note; provided that the foregoing shall not (i) constitute a waiver of any obligation evidenced by this Mortgage or the Note, (ii) limit the right of the holder of the Note and this Mortgage to name the Mortgagor as a party defendant in any action or suit for judicial foreclosure and sale under this Mortgage or any action or proceeding hereunder or under the Note so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against the Mortgagor, (iii) affect in any way the validity of any guaranty from any person of all or any of the obligations evidenced and secured by the Note and this Mortgage, (iv) release or impair the Note or the lien of this Mortgage, (v) prevent or in any way hinder the Mortgagee from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, any other remedy against the Mortgaged Property, any deposits or other collateral, any letters of credit or any other instrument securing the Note or as prescribed by law or in equity in case of default, or (vi) relieve the Mortgagor and/or any indemnitor of any of its (their) obligations under the Environmental Indemnity (as defined in the Loan Agreement) delivered by the Guarantors or indemnitors to the Mortgagee. The foregoing provisions of this section are limited by the proviso that in the event of the occurrence and continuance of an Event of Default hereunder, the Mortgagor, its (their) principals, officers, directors, shareholders, partners and its successors and assigns shall have personal liability hereunder for any deficiency judgment, but only if and to the extent that its respective principals, partners, shareholders or its successors and assigns have received rentals, other revenues, or other payments or proceeds in respect of the Mortgaged Property less than ninety-one (91) days prior to the occurrence and continuance of such an Event of Default, which rentals, other revenues, or other payments or proceeds have not been used for the payment of ordinary and reasonable operating expenses of the Mortgaged Property, ordinary and reasonable capital improvements to the Improvements, debt service on the Note, real estate taxes in respect of the Mortgaged Property, basic management fees and any other distributions pursuant to the terms of the Amended and Restated Limited Partnership Agreement of the Mortgagor, but not incentive fees, in connection with the operation of the Mortgaged Property, which are then due and payable.

Notwithstanding the foregoing limitations, the Mortgagee shall have full recourse against the Mortgagor for the full payment of (i) the amount of any rent or other income from the Mortgaged Property that the Mortgagor has failed to apply first, to the payment of reasonable operating expenses (other than property management fees that are not currently payable pursuant to the terms of a Assignment and Subordination of Management Agreement or other agreement with Mortgagee executed in connection with the Loan) and then to the payment of amounts that are due and payable under the Note, except that the Borrower will not be personally liable (x) to the extent that the Mortgagor lacks the legal right to direct the disbursement of such sums because of bankruptcy, receivership or similar judicial proceeding, or (y) with respect to rents and other income from the Mortgaged Property that are distributed in any calendar year if the Mortgagor has paid all operating expenses and amounts then due and payable under the Note for that calendar year; (ii) any condemnation or insurance proceeds, or similar funds or payments attributable to the Mortgaged Property, that under the terms of this Mortgage, the Loan Agreement or other Loan Documents should have been paid to the Mortgagee but have not been so paid to the Mortgagee; (iii) any tenant security deposits, advances or prepaid rents, or similar sums that have been paid to the Mortgagor or held for the account of the Mortgagor by any other person or entity in connection with the operation of the Mortgaged Property and that have not

either been applied or refunded in accordance with the relevant lease or have been paid over to the Mortgagee; (iv) the amount of any loss suffered by the Mortgagee as a result of fraud or misrepresentation by or on behalf of the Mortgagor in connection with the Loan; (v) the amount of any loss suffered by the Mortgagor as a result of waste or gross mismanagement by or permitted by the Mortgagor; (vi) the amount of any loss suffered by the Mortgagee as a result of violations of any governmental statute, rule or regulation applicable to the Mortgaged Property including and not by way of limitation any loss suffered by the Mortgagee arising directly or indirectly from the presence or release of any hazardous or toxic substance, material or waste on or about the Mortgaged Property; (vii) repayment of the Indebtedness in the event of the Mortgagor's acquisition of any property or operation of any business not permitted by Section 11.11 of the Loan Agreement; (viii) the full repayment of the Indebtedness in the event of any transfer of any interest in the Mortgagor or the general partner of the Mortgagor that is not a Permitted Transfer under the Borrower Loan Documents; and (ix) reasonable attorney's fees and other costs incurred by the Mortgagee in collecting any of the foregoing.

3.18 This Mortgage is and shall remain in all aspects a first lien, superior in right, title and interest to all other liens placed upon the Mortgaged Property pursuant to the Loan Agreement, or otherwise, and may be amended, modified, consolidated or restated without affecting the priority of such lien unless the subordination of such lien is approved by Mortgagee.

3.19 Mortgagee hereby notifies the Mortgagor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (Signed into law October 26, 2001) (the "*Act*"), Mortgagee is required to obtain, verify and record information that identifies the Mortgagor, which information includes the name and address of the Mortgagor and other information that will allow Mortgagee to identify the Mortgagor in accordance with the Act.

3.20 Ground Lease Provisions.

(a) Mortgagor has delivered to Mortgagee a true, correct and complete copy of the Ground Lease, together with all amendments, supplements, modifications, assignments or transfers thereto, if any, and Mortgagor represents that other than as set forth in the Loan Agreement, the Ground Lease has not been amended, supplemented, modified, assigned or transferred. Mortgagor further represents that it holds the sole leasehold estate in the Ground Lease, subject to no subleases (other than those previously disclosed in writing by Mortgagor to Mortgagee).

(b) Mortgagor shall not do any act which would destroy or materially impair the benefits to Mortgagee, and without limiting the generality of the foregoing, Mortgagor agrees, subject to Mortgagor's rights of offset (if any) under the Ground Lease: (i) to perform promptly all obligations, agreements, covenants, terms and conditions imposed upon or assumed by it under the Ground Lease; (ii) not to take any action or omit to take any action which would effect or permit the termination of the Ground Lease; and (iii) to pay, when due, all basic rent and all other payments and charges under the Ground Lease, including, without limitation, insurance, taxes and assessments. Mortgagor agrees to perform all other obligation and agreements under

the Ground Lease and Mortgagor agrees not to take any action or omit to take any action which would effect or permit the termination of said leasehold.

(c) Mortgagor shall not, without the prior written consent of Mortgagee: (i) surrender Mortgagor's leasehold estate and interest under the Ground Lease; (ii) terminate or cancel the Ground Lease; (iii) fail to renew or exercise any options to renew the Ground Lease; or (iv) sublease, assign or transfer all or any portion of Mortgagor's leasehold estate and interest under the Ground Lease. Mortgagor shall not, without the prior written consent of Mortgagee: (x) consent or refuse to consent to any action that the Ground Lessor desires to take under or with respect to any Ground Lease; (y) modify, change, supplement, alter or amend the Ground Lease, either orally or in writing; or (z) waive or release the Ground Lessor from any obligations or conditions to be performed by Ground Lessor under the Ground Lease. Consent to one modification, change, supplement, alteration, amendment or sublease shall not be deemed to be a waiver of the right to require consent to other, future or successive modifications, changes, supplements, alterations, amendments, subleases, assignments or transfers. Mortgagor shall promptly deliver to Mortgagee a true, correct and complete copy of any modification, change, supplement, alteration or amendment to the Ground Lease.

(d) Mortgagor shall not subordinate or consent to the subordination of its interest in the Ground Lease to any mortgage, security deed, deed of trust, lease or other interest in all or any part of the Property without the written consent of Mortgagee.

(e) Mortgagor shall give immediate notice to Mortgagee of the receipt by it of any notice of default or of the exercise of any remedies relating to defaults or breach of the Ground Lease from the Ground Lessor, and shall deliver copies of any and all such notices to Mortgagee within five (5) business days after the receipt thereof. Mortgagor also shall furnish Mortgagee any and all information that Mortgagee may reasonably request concerning Mortgagor's performance under the Ground Lease.

(f) Mortgagee shall be entitled to take all actions necessary to cure any default by Mortgagor under the Ground Lease within the time provided by the terms of the Ground Lease for such purpose. Upon receipt by Mortgagee from the Ground Lessor of any written notice of default by Mortgagor under the Ground Lease, Mortgagee may rely thereon and take any action to cure such default even though the existence of such default or the nature thereof is questioned or denied by Mortgagor or by any other party. Mortgagor hereby expressly grants to Mortgagee and agrees that Mortgagee shall have, the absolute and immediate right to enter in and upon the Property or any part thereof to such extent and as often as Mortgagee, in its reasonable discretion, deems necessary or desirable in order to prevent or to cure any such default with respect to the Ground Lease. Mortgagee may pay and expend such sums of money as Mortgagee in its reasonable discretion deems necessary for any such purpose, and Mortgagor hereby agrees to pay to Mortgagee within five (5) days after demand, all such sums so paid and expended by Mortgagee, together with interest thereon from the date of such payment at an annual rate equal to the Default Rate (as hereinafter defined). Subject to the limitation of Connecticut General Statutes Section 49-2, all sums so paid and expended by Mortgagee and the interest thereon shall be added to and be secured by the lien of this Mortgage.

(g) Mortgagor shall notify Mortgagee of any acquisition by Mortgagor of the fee title in any of the property covered by the Ground Lease. If Mortgagor obtains any further interest in the property covered by the Ground Lease, including such fee title, such interest shall be covered by this Mortgage and Mortgagor shall execute and deliver to Mortgagee such additional documents as are reasonably necessary to protect Mortgagee's interest therein.

(h) No release or forbearance of any of Mortgagor's obligations under the Ground Lease, pursuant to the Ground Lease or otherwise, shall release Mortgagor from any obligations under this Mortgage, including release from the obligations with respect to the payment of rent as provided for in the Ground Lease and the performance of any of the terms, provisions, covenants, conditions and agreements contained in the Ground Lease to be kept, performed and complied with by Mortgagor as provided therein.

(i) Unless Mortgagee shall consent in writing, so long as this Mortgage is in effect, the fee title to the property covered by the Ground Lease and Mortgagor's leasehold estate created by the Ground Lease shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates either in the Ground Lessor, Mortgagee or Mortgagor by purchase, operation of law or otherwise. If Mortgagee shall acquire such fee title and leasehold estate by foreclosure of this Mortgage or otherwise, then such estates shall not merge as a result of such acquisition but shall remain separate and distinct for all purposes after such acquisition unless and until Mortgagee elects to merge such estates.

(j) The provisions hereof shall be deemed to be obligations of Mortgagor in addition to Mortgagor's obligations under the Ground Lease; provided, however, that nothing in this Mortgage shall be construed as requiring the taking of or the committing to take any action by Mortgagor or Mortgagee that would cause a default under the Ground Lease. The inclusion in this Mortgage of any covenants and agreements relating to similar matters under which Mortgagor is obligated under the Ground Lease shall not restrict or limit Mortgagor's duties and obligations to keep and perform promptly all of its covenants, agreements and obligations under the Ground Lease.

(k) Mortgagor does hereby assign, transfer, set over and deliver to Mortgagee, for collateral purposes only, all of Mortgagor's rights, title and interest in, to and under the Ground Lease. By its acceptance hereof, Mortgagee hereby covenants and agrees that so long as there exists no Event of Default hereunder, Mortgagor shall have the right to possess and enjoy the Property, subject to the terms and conditions contained herein.

(l) Effective upon the occurrence of an Event of Default, Mortgagor hereby constitutes and appoints Mortgagee the true and lawful attorney-in-fact, coupled with an interest, of Mortgagor, empowered and authorized in the name, place and stead of Mortgagor to exercise all rights of Mortgagor under the Ground Lease. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns, so long as any part of the Indebtedness remains unpaid or undischarged.

(m) If, upon the occurrence of an Event of Default, Mortgagee or its designee shall acquire or obtain a new ground lease covering any portion of the property covered by the Ground Lease (a "***New Ground Lease***"), then Mortgagor shall have no right, title or interest

whatsoever in or to such New Ground Lease, or any proceeds or income arising from the estate arising under such New Ground Lease, including from any sale or other disposition thereof. Mortgagee or its designee shall hold such New Ground Lease free and clear of any right or claim of Mortgagor.

(n) Mortgagor acknowledges that pursuant to Section 365 of the Bankruptcy Reform Act of 1978 (as the same may be amended or recodified from time to time, called the “**Bankruptcy Reform Act**”) it is possible that a trustee in bankruptcy of the Ground Lessor, or the Ground Lessor as a debtor-in-possession, could reject the Ground Lease, in which case Mortgagor, as tenant, would have the election described in Section 365(h) of the Bankruptcy Reform Act (which election, as it may be amended, revised or recodified from time to time, and together with any comparable right under any other state or federal law relating to bankruptcy, reorganization or other relief for debtors, whether now or hereafter in effect, is called the “**Election**”) to treat the Ground Lease as terminated by such rejection or, in the alternative, to remain in possession for the balance of the term of the Ground Lease and any renewal or extension thereof that is enforceable by the tenant under applicable non-bankruptcy law.

(I) Mortgagor agrees not to terminate or permit termination of the Ground Lease by exercise of the Election without the prior written consent of Mortgagee. Mortgagor acknowledges that because the Ground Lease is a significant part of Mortgagee’s security for the obligations secured under this Mortgage, Mortgagee does not anticipate that it would consent to termination of the Ground Lease and shall not under any circumstances be obliged to give such consent.

(II) In order to secure the covenant made in subsection (n)(i) of this Section 3.20 of this Mortgage and as security for the other obligations secured under this Mortgage, Mortgagor assigns the Election to Mortgagee under this Mortgage. Mortgagor acknowledges and agrees that this assignment of the Election is one of the rights which Mortgagee may use at any time in order to protect and preserve the other rights and interests of Mortgagee under this Mortgage, since exercise of the Election in favor of terminating the Ground Lease would constitute waste hereunder.

(III) Mortgagor acknowledges and agrees that the Election is in the nature of a remedy and is not a property interest which Mortgagor can separate from the Ground Lease. Therefore, Mortgagor agrees that exercise of the Election in favor of preserving the right to possession under the Ground Lease shall not be deemed to constitute a taking or sale of the subject property by Mortgagee and shall not entitle Mortgagor to any credit against the obligations secured by this Mortgage.

(IV) Mortgagor further acknowledges and agrees that if the Election is exercised in favor of Mortgagor remaining in possession, then Mortgagor’s resulting right under the Ground Lease to possession and use of (and rents and profits from) the real property described in Exhibit A, as adjusted by the effect of Section 365 of the Bankruptcy Reform Act, shall be part of the mortgaged property and shall be subject to the lien created by this Mortgage. However, Mortgagor acknowledges and agrees that the right under the Ground Lease to possession and use of the real property described in Exhibit A as so adjusted is not equivalent to the leasehold interest which is the subject property at the time of execution of this Mortgage. Therefore,

Mortgagor agrees that rejection of the Ground Lease under the Bankruptcy Reform Act by a trustee in bankruptcy of the Ground Lessor or by the Ground Lessor as a debtor-in-possession shall constitute a default under this Mortgage and shall entitle Mortgagee to all rights and remedies under ARTICLE III of this Mortgage.

3.21 Special State Provisions

(a) In the event of any inconsistencies between the other sections of this Mortgage and this Section 3.21, the terms and conditions of this Section 3.21 shall control and be binding.

(b) This Mortgage secures the aggregate principal amount of [Eight Million Eight Hundred Thousand] and 00/100 Dollars (\$[8,800,000]) plus such additional amounts as Mortgagee may from time to time advance pursuant to the terms and conditions of this Mortgage and not met by Mortgagor, with respect to an obligation secured by a lien or encumbrance prior of this Mortgage or for the projection of the lien of this Mortgage, together with interest thereon. Mortgagor hereby waives, for itself or any of its assigns who assume this Mortgage, any right it may have under Section 49-2(c)(7) of the Connecticut General Statutes, as amended, or otherwise to terminate the right of Mortgagee to make “optional future advances” as defined under said statute, including without limitation, loan advances made by Mortgagee pursuant to this Mortgage, the Note and/or any other Loan Documents.

(c) This Mortgage constitutes a mortgage securing future advances under Section 49-3 of the Connecticut General Statutes, as amended, and pursuant to the terms of Section 49-3(a) of the Connecticut General Statutes, as amended shall secure advances of the proceeds of the Loan in periodic disbursements as construction of the Improvements progresses, and performance of all of the conditions and undertakings of the Mortgagor contained in the Note, the Loan Agreement and this Mortgage, with the intention that the description of the Loan set forth above is substantially in the form as required pursuant to Section 49-3(a) of the Connecticut General Statutes, as amended, and whereas Mortgagor agrees to complete the Improvements to the satisfaction of Mortgagee within a reasonable time from the date hereof or at the latest on or before July 31, 2021. This is also an “open end mortgage” under Section 49-2 of the Connecticut General Statutes, as amended, securing advances under the Note, and the Mortgagee shall have all the rights, powers and protection to which the holder of any open end mortgage is entitled. It is further agreed that upon request of the Mortgagor, the Mortgagee may hereafter, at its option, at any time before full payment of this Mortgage, make further advances to the Mortgagor, in amounts and at such rates of interest as Mortgagee shall determine, and every such further advance, with interest, shall be secured by this Mortgage, provided, that the amount of the principal secured by this Mortgage and remaining unpaid shall at no time exceed the original principal sum secured hereby as described in clause (b) above and provided that the time of repayment of such advancement shall not extend the time of repayment beyond the maturity of the original debt hereby secured.

(d) Now, therefore, if the Note and the Indebtedness secured hereby shall be well and truly paid according to their tenor, and if all agreements and provisions contained in the Note and herein are fully kept and performed, then this Mortgage shall become null and void; otherwise to remain in full force and effect.

(e) MORTGAGOR ACKNOWLEDGES, REPRESENTS AND WARRANTS THAT THE LOAN EVIDENCED BY THE NOTE IS FOR COMMERCIAL PURPOSES. MORTGAGOR FURTHER ACKNOWLEDGES, REPRESENTS AND WARRANTS THAT IT IS ENGAGED EXCLUSIVELY IN COMMERCIAL PURSUITS AND THAT THE PROCEEDS OF THE NOTE ARE TO BE UTILIZED IN THE BUSINESS ACTIVITIES OF MORTGAGOR AND WILL NOT BE UTILIZED FOR CONSUMER PURPOSES.

(f) MORTGAGOR WAIVES ANY RIGHT TO NOTICE AND A HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, AS AMENDED, OR UNDER ANY OTHER FEDERAL OR STATE STATUTE OR STATUTES OR FOREIGN LAWS AFFECTING PREJUDGMENT REMEDIES. FURTHER, IN THE EVENT MORTGAGEE SEEKS TO TAKE POSSESSION OF ANY OR ALL OF THE PROPERTY OR THE COLLATERAL BY COURT PROCESS OR OTHER METHOD AVAILABLE UNDER THE LAW, MORTGAGOR IRREVOCABLY WAIVES ANY BOND AND ANY SURETY OR SECURITY RELATING THERETO REQUIRED BY ANY STATUTE, COURT RULE OR OTHERWISE AS AN INCIDENT TO SUCH POSSESSION, AND WAIVES ANY DEMAND FOR POSSESSION PRIOR TO THE COMMENCEMENT OF ANY SUIT OR ACTION TO RECOVER WITH RESPECT THERETO. SPECIFICALLY, MORTGAGOR RECOGNIZES AND UNDERSTANDS THAT THE EXERCISE OF THE RIGHTS DESCRIBED ABOVE MAY RESULT IN THE ATTACHMENT OF OR LEVY AGAINST MORTGAGOR'S PROPERTY, AND SUCH WRIT FOR A PREJUDGMENT REMEDY WILL NOT HAVE THE PRIOR WRITTEN APPROVAL OR SCRUTINY OF A COURT OF LAW OR OTHER JUDICIAL OFFICER AND MORTGAGOR WILL NOT HAVE THE RIGHT TO ANY NOTICE OR PRIOR HEARING WHERE MORTGAGOR MIGHT CONTEST SUCH A PROCEDURE. THE INTENT OF MORTGAGOR IS TO GRANT TO MORTGAGEE FOR GOOD AND VALUABLE CONSIDERATION, THE RIGHT TO OBTAIN SUCH A PREJUDGMENT REMEDY AND TO EXPRESS ITS BELIEF THAT ANY SUCH PREJUDGMENT REMEDY OBTAINED IS VALID AND CONSTITUTIONAL UNLESS A COURT OF COMPETENT JURISDICTION SHOULD DETERMINE OTHERWISE. FURTHER, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, MORTGAGOR HEREBY WAIVES DEMAND, PRESENTMENT FOR PAYMENT, PROTEST, NOTICE OF PROTEST, NOTICE OF DISHONOR, DILIGENCE IN COLLECTION, NOTICE OF NONPAYMENT OF THE CREDIT AGREEMENT AND THE NOTE AND ANY AND ALL NOTICES OF A LIKE NATURE. FURTHER, TO THE EXTENT NOT OTHERWISE EXPRESSLY PROVIDED HEREIN, (a) MORTGAGOR EXPRESSLY WAIVES ALL DEFENSES BASED UPON SURETYSHIP OR IMPAIRMENT OF COLLATERAL, AND, (b) MORTGAGOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL VALUATION, APPRAISEMENTS, HOMESTEAD, EXEMPTION, STAY, REDEMPTIONS AND MORATORIUM LAWS, NOW IN FORCE OR WHICH MAY HEREAFTER BECOME LAWS.

(g) TO THE FULLEST EXTENT PERMITTED BY LAW, MORTGAGOR AND MORTGAGEE EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS MORTGAGE OR THE RELATIONSHIP BETWEEN THE PARTIES AS

MORTGAGOR AND MORTGAGEE THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

(h) Upon payment and discharge of the Indebtedness, this Mortgage shall become null and void. Otherwise, this Mortgage shall remain in full force and effect. Upon such payment and discharge, Mortgagee shall release this Mortgagee.

(i) This Mortgage constitutes a fixture filing with respect to all goods which are or are to become fixtures included within the Premises. Mortgagor is the Debtor and Mortgagee is the Secured Party, each having an address as set forth on the cover page of this Mortgage.

(j) All references in this Mortgage to “foreclosure,” “foreclosure sale,” “judicial foreclosure,” “non-judicial foreclosure” and words of similar import shall be deemed to include strict foreclosure or foreclosure by sale.

(k) A copy of the Note is attached hereto as Exhibit C and incorporated herein.

3.22 Maturity Date

(a) The Maturity Date of the Note is the earlier to occur of (i) [_____]
[NOTE: 20.5 YEARS], or (ii) any earlier date on which the unpaid principal balance of the Note becomes due and payable, by acceleration or otherwise.

3.23 Servicer

(a) Mortgagor hereby acknowledges and agrees that, pursuant to the terms of the Funding Loan Agreement (as such term is defined in the Loan Agreement), all consents, elections, approvals, waivers, acceptances and determinations to be provided hereunder and under the Borrower Note and the other Borrower Loan Documents by Mortgagee, shall be at the direction of Funding Lender on behalf of the Mortgagee and shall not be valid unless so directed by Funding Lender on behalf of Mortgagee with notice to Mortgagor. Mortgagor further agrees that all references herein and in the Borrower Note and the other Borrower Loan Documents to the “Mortgagee” or “Lender” shall also refer to Funding Lender and that any action or right which shall or may be taken or exercised by Mortgagee may be taken or exercised by servicer on behalf of Mortgagee and Funding Lender with the same force and effect as if taken by Mortgagee or Funding Lender, including, without limitation, the collection of payments, the holding of escrows, the giving of notice, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. Mortgagor further agrees that all notices, books, records, requests for consent, documents or other information to be delivered to Mortgagee hereunder or under the Borrower Note or any other Borrower Loan Documents shall also be simultaneously delivered to servicer on behalf of Mortgagee at the address provided for notices in the Loan Agreement.

(b) Mortgagor further acknowledges that servicer on behalf of Mortgagee may from time to time and in accordance with the terms of the Funding Loan Agreement, appoint a replacement servicer to collect payments, escrows and deposits, to give and receive notices under the Borrower Note, this Mortgage, or the other Borrower Loan Documents, and to otherwise service the Loan. Mortgagor hereby acknowledges and agrees that, unless Mortgagor receives written notice from servicer on behalf of Mortgagee to the contrary, any action or right which shall or may be taken or exercised by servicer on behalf of Mortgagee may be taken or exercised by servicer with the same force and effect, including, without limitation, the collection of payments, the giving of notice, the holding of escrows, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. Mortgagor further agrees that, unless Mortgagee instructs Mortgagor to the contrary in writing, (i) any notices, books or records, or other documents or information to be delivered under this Mortgage, the Borrower Note, or any other Borrower Loan Document shall also be simultaneously delivered to the servicer at the address provided for notices to Mortgagee pursuant to Section 3.2 hereof, and (ii) any payments to be made under the Borrower Note or for escrows under terms hereof or under any of the other Loan Documents shall be made to servicer. In the event Mortgagor receives conflicting notices regarding the identity of the servicer or any other subject, any such notice from Mortgagee shall govern.

(c) Borrower further acknowledges and agrees that, for the purpose of determining whether a security interest is created or perfected under the Uniform Commercial Code of the State, any escrows or other funds held by servicer pursuant to the Loan Documents shall be deemed to be held by Mortgagee.

NOW, THEREFORE, if Mortgagor shall well and truly pay to Mortgagee the Indebtedness at the time and in the manner provided in the Note, this Mortgage and the other Loan Documents and shall well and truly abide by and comply with each and every covenant and condition set forth herein, in the Note and in the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void, but otherwise shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor.

Signed, Sealed and Delivered in the Presence
of:

LHT4 LIMITED PARTNERSHIP,
a Connecticut limited partnership

LHT4 Housing Corporation,
a Connecticut corporation,
its General Partner

By: _____
Name: Vincent J. Tufo
Title: President

STATE OF _____)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 2021 before me, the undersigned, a notary public in and for said state, personally appeared Vincent J. Tufo, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument as his free act and deed.

Notary Public

SCHEDULE A-1

DESCRIPTION OF PREMISES

[To be added]

SCHEDULE A-2

DESCRIPTION OF GROUND LEASE

That certain Ground Lease Agreement by and between LHT4 Limited Partnership, a Connecticut limited partnership, as Tenant and the Housing Authority of the City of Stamford d/b/a Charter Oaks Communities as Landlord, as evidenced by a certain Memorandum of Lease dated as of [_____], 2021 and to be recorded in the Stamford Land Records.

EXHIBIT A

The Mortgagor, at its expense, shall maintain and deliver to the Mortgagee policies of insurance providing the following:

(I) Commercial General Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit and \$2,000,000.00 in the aggregate for the policy period, or in whatever higher amounts as may be required by Mortgagee from time to time by notice to Mortgagor, and extended to cover: (i) Contractual Liability assumed by Mortgagor with defense provided in addition to policy limits for indemnities of the named insured, (ii) if any of the work is subcontracted, Independent Contractors Liability providing coverage in connection with such portion of the work which may be subcontracted, (iii) Broad Form Property Damage Liability, (iv) Products & Completed Operations for coverage, such coverage to apply for two years following completion of construction, (v) waiver of subrogation against all parties named additional insured, (vi) severability of interest provision, and (vii) Personal Injury & Advertisers Liability.

(II) To extent that the Mortgagor has any automobiles or any other vehicles, Automobile Liability including coverage on owned, hired, and non-owned automobiles and other vehicles, if used in connection with the performance of the work, with Bodily Injury and Property Damage limits of not less than \$1,000,000.00 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

(III) Mortgagor will maintain Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employers' Liability coverages which is at least as broad as these underlying policies with a limit of liability of \$10,000,000.00.

(IV) All-Risk Property (Special Cause of Loss) Insurance on the Improvements in an amount not less than the full insurable value on a replacement cost basis of the insured Improvements and personal property related thereto. During the Construction Term, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" with no coinsurance requirement and shall contain a provision granting the insured permission to occupy prior to completion. The policies must include an "ordinance/change in law" endorsement providing a limit of at least 10% of the insurance limit for demolition and increased costs. The policies must also list the Mortgagee as mortgagee and loss payee.

(V) To extent that the Mortgagor has any employees, Workers' Compensation and Employer's Liability Insurance in accordance with the applicable Legal Requirements of the state in which the work is to be performed or of the state in which Mortgagor is obligated to pay compensation to employees engaged in the performance of the work. The policy limit under the Employer's Liability Insurance shall not be less than \$1,000,000.00 for any one accident.

(VI) If the Premises, or any part thereof, lies within a "special flood hazard area" as designated on maps prepared by HUD, a National Flood Insurance Association standard flood insurance policy, plus insurance from a private insurance carrier if necessary, for the

duration of the Loan in the amount of the full insurable value of the Improvements or if less, the amount of the Loan.

(VII) Such other insurance as Mortgagee may require, which may include, without limitation, liability and worker's compensation with respect to contractors, professional liability insurance with respect to the architects and engineers, earthquake insurance, rent abatement and/or business loss.

All insurance policies shall (i) be issued by an insurance company licensed to do business in the State having a minimum rating of A- and financial size of VIII or better by A.M. Best Co., in Best's Rating Guide, (ii) name "**JPMorgan Chase Bank, N.A., any and all subsidiaries as their interest may appear**" as additional insureds on all liability insurance and as mortgagee and loss payee on all All-Risk Property insurance, (iii) be endorsed to show that Mortgagor's insurance shall be primary and all insurance carried by Mortgagee is strictly excess and secondary and shall not contribute with Mortgagor's insurance, (iv) provide that Mortgagee is to receive thirty (30) days written notice prior to non-renewal or cancellation generally and ten (10) days notice of cancellation for nonpayment, (v) be evidenced by a certificate of insurance to be provided to Mortgagee (with a copy of the All-Risk Property insurance policy delivered to the Mortgagee within thirty (30) days of the Closing Date), (vi) include either policy or binder numbers on the Acord form, and (vii) be in form and amounts acceptable to Mortgagee.

EXHIBIT B

1. [To be added]

EXHIBIT C

COPY OF BORROWER NOTE

[Attached.]