



THIS LOAN AGREEMENT ("Agreement") is made and entered into as of the 15th day of October, 2009, by and between The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development for itself and as agent for the other Participating Lenders and Franconia Apartments LLC, a Massachusetts limited liability company.

SECTION 1. AGREEMENT

The Agent and the Borrower, for good and valuable consideration and in consideration of the covenants and agreements herein contained, hereby make this agreement regarding financing for the Project, as hereinafter defined, and the Agent, on behalf of itself and the other Participating Lenders, agrees to make the Loan to the Borrower upon and subject to all the conditions, terms, covenants and agreements herein set forth.

SECTION 2. DEFINITIONS

Each reference in this Agreement to the following terms shall be deemed to have the following meanings:

Administrator: Massachusetts Housing Finance Agency, a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, or its successors and assigns as applicable.

Affordable Housing Restriction: The affordable housing restriction granted by the Borrower to the Participating Lenders in connection with the Loan governing the affordability of the Property executed as of the date hereof and recorded with the Hampden County Registry of Deeds.

Agent: The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development

AHT: The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c.121, by the Administrator.

Area: Springfield, MA HMFA

Borrower: Franconia Apartments LLC, a Massachusetts limited liability company

Borrower's Address: c/o Springfield Housing Action Corporation
31 East Street
Springfield, Massachusetts 02100

CEDAC: Community Economic Development Assistance Corporation

City: The City of Springfield, acting by and through its Office of Housing and Neighborhood Development

Commitment Letter: Collectively, the commitment letters for the Loan issued by DHCD, AHT, and the City setting forth the general terms of the Loan, as amended, supplemented or otherwise modified from time to time.

DHCD: The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development

Disbursing Agent: the Community Economic Development Assistance Corporation

Disbursing Agent Agreement: The agreement by and between AHT and the Disbursing Agent with respect to the AHT Loan.

Eligible Project Costs: All costs and expenses for, and reasonably and directly associated with, the construction of the housing units subject to the Affordable Housing Restriction as set forth on the Project Sources and Uses except for those ineligible costs listed on Exhibit C attached hereto.

EOHHS: The Executive Office of Health and Human Services of The Commonwealth of Massachusetts.

Event of Default: An "Event of Default" as defined in Section 7 below.

Ground Lease: The Ground Lease entered into by and between Ajax Real Estate Holdings LLC as landlord, and the Borrower, as tenant, dated as of August 22, 2009, authorizing the Borrower to lease the Property for a term commencing September 1, 2010 and terminating August 31, 2059, notice of which is recorded with the Hampden Registry of Deeds.

Guidelines: The AHT Guidelines, the CBH Guidelines, the HIF Guidelines, and the HOME Guidelines, as defined in Exhibit K attached hereto.

HUD: The United States Department of Housing and Urban Development.

Loan: Collectively, the following loans to the Borrower: \$1,000,000.00 loan from DHCD by the Administrator under the AHT Statute (the "AHT Loan"), \$690,000.00 loan from CEDAC under the CBH Program (the "CBH Loan"), \$750,000.00 loan from CEDAC under the HIF Program (the "HIF Loan"), \$750,000.00 loan from DHCD under the HOME Program (the "DHCD HOME Loan") and \$920,000.00 loan from the City under the HOME Program (the "City HOME Loan").

Loan Documents: The Note, the Mortgage, this Agreement and the Affordable Housing Restriction, any and all amendments, modifications, supplements, extensions or renewals thereof, and all other documents executed by the Borrower now or hereafter in connection with the Loan, the terms of which are hereby incorporated by reference.

Mortgage: The leasehold mortgage from the Borrower to the Agent granting the Agent, for itself and on behalf of the Participating Lenders, a mortgage on the Property executed as of the date hereof and recorded with the Hampden Registry of Deeds.

Note: Collectively, the promissory notes from the Borrower in the principal amounts of the AHT Loan, CBH Loan, HIF Loan, DHCD HOME Loan and City HOME Loan each payable to the order of the respective Participating Lender.

Other Loans: The other loans secured by the Property and identified as junior, senior or pari passu on Exhibit E attached hereto.

Participating Lenders: The following lenders, or their successors and assigns as applicable, each of which is a participating lender, hereunder: DHCD, AHT, CEDAC, and the City.

Participating Lenders' Addresses:

AHT:

Massachusetts Housing Finance Agency
One Beacon Street
Boston, Massachusetts 02108
Attention: General Counsel

CEDAC:

One Center Plaza, Suite 350
Boston, Massachusetts 02108
Attention: Director of Finance and Operations

DHCD:

100 Cambridge Street, Suite 300

Boston, Massachusetts 02114
Attention: Chief Legal Counsel

City:

1600 East Columbus Avenue
Springfield, Massachusetts 01103
Attention: _____

Permitted Encumbrances:

The Ground Lease, the mortgage(s) securing the Other Loans and any other encumbrances approved by the Participating Lenders.

Programs:

The AHT Program, the CBH Program, the HIF Program and the HOME Program, as defined in Exhibit K attached hereto.

Project:

The construction of one or more buildings located at the property known as and located at 365 Annum Street, Springfield, Massachusetts (the "Property") to provide 36 units of housing, including an alternative form of housing providing 36 affordable housing units, of which 5 units shall comprise community-based housing for PCEs, restricted pursuant to the terms of the Affordable Housing Restriction and subject to the conditions set forth in the Commitment Letters.

Project Schedule:

The schedule for the Project set forth on Exhibit D attached hereto, as amended from time to time by mutual written agreement of the Borrower and the Participating Lenders.

Project Sources and Uses:

The development sources and uses for the Project attached as Exhibit B hereto and by this reference incorporated herein, as amended from time to time by mutual written agreement of the Borrower and the Participating Lenders.

Property:

The land described on Exhibit A attached hereto and all improvements now existing or hereafter constructed thereon situated at 365 Annum Street, Springfield, Massachusetts.

Regulations:

The CBH Regulations, the HIF Regulations and the HOME Regulations, as defined in Exhibit K attached hereto.

Sponsor:

Springfield Housing Action Corporation

Statutes:

The AHT Statute, the CBH Statute and the HIF Statute, as defined in Exhibit K attached hereto.

SECTION 3. CONDITIONS PRECEDENT

3.1 Good and Marketable Title; No Event of Default. The obligation of the Participating Lenders to close the Loan and to make advances is subject to the condition precedent that the Borrower shall have and maintain good and marketable leasehold title to the Property and full possession thereof free and clear of all liens and encumbrances except for the Permitted Encumbrances and no Event of Default shall have occurred and be continuing.

3.2 Conditions to Closing. The obligation of the Participating Lenders to close the Loan is subject to the following conditions precedent:

(A) Issuance of building permits with respect to the construction work to be undertaken on the Property;

(B) Issuance of all permits, licenses or other approvals necessary or appropriate for: (a) the Project, as contemplated in the approved plans and specifications and the Loan Documents, and (b) the operation of the Property after completion of the Project, as contemplated in the Loan Documents (including all permits, licenses and/or other approvals necessary for the provision of any supportive services required by the Affordable Housing Restriction); or, if any such permits, licenses and/or approvals cannot be obtained until the commencement, a future interim stage, or the completion of construction of the Project or any other future date, the Borrower shall have delivered a list of the same to the Participating Lenders, with the Borrower's confirmation that it expects the same to be issued in due course;

(C) Approval of the plans and specifications for the construction work by the Participating Lenders and all local, state and federal regulatory authorities having jurisdiction over the Property and the Project;

(D) Execution of a contract between the Borrower and the architect for the Project, reasonably satisfactory to the Participating Lenders;

(E) Selection of a contractor pursuant to a procedure approved by the Participating Lenders and execution of a construction contract between the Borrower and the contractor for the Project, reasonably satisfactory to the Participating Lenders;

(F) Submission by the Borrower to the Participating Lenders of satisfactory evidence that all funds necessary for the Project, as set forth in the Project Sources and Uses attached as Exhibit B, have been advanced to the Borrower or are available to the Project in accordance with the executed Other Loan documents that have been approved by the Participating Lenders, or through binding commitments reasonably satisfactory to the Participating Lenders;

(G) Submission by the Borrower of the following additional documents as may reasonably be required and approved by the Participating Lenders: written opinions of the Borrower's counsel, or evidence reasonably satisfactory to the Participating Lenders in lieu of opinions of counsel, as to (a) the existence and authority of the Borrower and its manager/managing member and due execution and enforceability of the documents to be executed by the Borrower and its manager/managing member in connection with the Loan, and (b) the compliance of the Property and the Project with applicable building, zoning, subdivision,

licensing, historic preservation, environmental, planning, land use and sanitation laws and regulations;

(H) Submission by the Borrower of policies of property, casualty/liability and title insurance acceptable to the Participating Lenders;

(I) Submission by the Borrower of property appraisal(s) acceptable to the Participating Lenders; and

(J) Submission by the Borrower of such other due diligence documents as may be required by the Commitment Letter and/or may reasonably be required by the Participating Lenders, including the Ground Lease, together with an estoppel certificate of the landlord under the Ground Lease satisfactory to the Participating Lenders.

3.3 Loan Disbursement. Provided no Event of Default shall have occurred and be continuing, advances of proceeds of the Loan are to be made by the Participating Lenders under the following conditions:

(A) At least ten (10) business days before the date on which an advance is requested to be made, the Borrower shall give notice to the Participating Lenders and/or their designees specifying the advances which will be desired from each of the Participating Lenders (the "Disbursement Request"). Each Disbursement Request shall consist of a summary request, in form acceptable to the Participating Lenders, accompanied by copies of bills, invoices or other satisfactory documentation of expenses incurred or owing for Eligible Project Costs in an amount equal to or exceeding the aggregate amount of the Disbursement Request and shall be consistent with the final approved Project Sources and Uses. Such Disbursement Request shall also be accompanied by a certificate of the Borrower in the form of the Requisition Certificate attached as Exhibit I hereto to the effect that the Borrower's representations and warranties set forth in Section 4 below remain true, complete and correct, and such other documentation as the Participating Lenders may from time to time require to evidence the Borrower's Disbursement Request. Each Participating Lender being requested to fund will promptly approve or disapprove the requested advance or notify the Borrower that further supporting documentation is required. Any Participating Lender, whether or not being requested to fund, will promptly notify all Participating Lenders of any objection to such Disbursement Request. Upon approval of a requested advance by a Participating Lender, such Participating Lender or its designee shall promptly make the requested advance. A Participating Lender may withhold its advance if another Participating Lender has objected to the Disbursement Request until such time as all objections by the Participating Lenders have been resolved; however, a Participating Lender may authorize disbursement of an advance notwithstanding any objection from other Participating Lenders.

(B) Requisitions for construction costs must be submitted on AIA forms or in another acceptable and pre-approved form; and a Participating Lender may require either an authorization from the primary construction lender to disburse these costs or certification by a construction inspector reasonably acceptable to such Participating Lender that construction work is acceptable and consistent with the Project Sources and Uses and the approved plans and specifications. A Participating Lender may require as a condition of any advance that the

Borrower submit satisfactory evidence that (i) all funds scheduled to be advanced under the Project Sources and Uses prior to the proceeds of the Loan have been advanced to the Borrower and expended in accordance with the Project Sources and Uses and (ii) the unadvanced portion of the Loan together with the unadvanced funds of all other funding sources shown in the Project Sources and Uses are sufficient to pay all costs for the completion of the Project in accordance with the approved plans and specifications. The construction contract for the Project shall require 10% retainage until 50% completion and 5% retainage thereafter.

(C) Prior to the funding of any requisition for construction costs, the Borrower shall obtain an endorsement to the Agent's title insurance policy insuring title through the date of funding.

(D) Loan proceeds shall be disbursed only for Eligible Project Costs.

(E) Requests for advances shall not be made by the Borrower until the funds are needed for payment of Eligible Project Costs and the amount of each request shall be limited to the amount needed.

(F) The final ten percent (10%) of the proceeds of the AHT Loan, DHCD HOME Loan and City HOME Loan, and the final five percent (5%) or \$5,000, whichever is greater, of the proceeds of the CBH Loan and HIF Loan shall not be advanced until such time as the Borrower (i) gives notice to the Participating Lenders that the Project is substantially complete; (ii) delivers to all Participating Lenders a certificate of substantial completion from the Borrower's architect; (iii) delivers to all Participating Lenders copies of certificates of occupancy for all units to be created or rehabilitated by the Project or other evidence that the local building officials have approved all Project work and authorized occupancy of the Property; and (iv) provides to all Participating Lenders a copy of an endorsement to the Agent's title insurance policy insuring title through the date of the final advance. Notwithstanding the foregoing, all of the proceeds of the AHT Loan shall be advanced in accordance with the terms of the Disbursing Agent Agreement, as approved by the Administrator.

(G) If a request for an advance varies significantly from the Project Schedule or the Project Sources and Uses, the Borrower shall provide the Participating Lenders with a written explanation, satisfactory to the Participating Lenders, of such variance.

(H) Notwithstanding anything in this Agreement or any of the other Loan Documents to the contrary, a Participating Lender shall not be obligated to make any advances of Loan proceeds if at any time or times (i) such Participating Lender reasonably determines that the construction of the Project is not being satisfactorily completed due to a material deviation in the Project Schedule or a material deviation with respect to the plans and specifications, or otherwise; (ii) any other Participating Lender or any of the holders of the Other Loans has determined to withhold or materially limit or delay advances under the Loan or any of the Other Loans, if any; or (iii) the Project has not been completed by the date set forth in Exhibit D; or (iv) a lien or notice of contract has been filed by a contractor, subcontractor or supplier and such lien or notice of contract has not been released or bonded over to the satisfaction of the Participating Lenders. Notwithstanding anything in this Agreement or any of the other Loan Documents to the contrary, a Participating Lender may limit advances so that its unadvanced proceeds, together with any

funds remaining to be advanced by other Participating Lenders under the Loan, or by other lenders under the Other Loans, if any, and any other funding sources for the Project shown in the Project Sources and Uses, will at all times be sufficient, in the opinion of such Participating Lender to meet all direct and indirect construction and related costs necessary for the completion of the Project.

(I) The making of an advance or part of an advance shall not be deemed an approval or acceptance of any labor, materials, fixtures or other items, or an acknowledgment or waiver by the Participating Lender making the advance of compliance with the provisions of this Agreement by the Borrower, and the Borrower, upon written demand by a Participating Lender, will promptly cure any defect or default.

(J) If a Disbursement Request includes any amount to make payment(s) to the general contractor and/or (unless a lien bond, in form acceptable to the Participating Lenders, has been issued for the Project) to any subcontractor or any other party who would be entitled to the protection of a lien under M.G.L. c.254, §32 (or any successor statutory provision), the Borrower shall provide a partial or final, as the case may be, waiver and subordination of lien instrument from such general contractor, subcontractor and/or other party in the applicable form attached as Exhibit J hereto (or such other form of lien waiver as the Participating Lenders or their counsel may from time to time require).

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants to each of the Participating Lenders, as of the date of execution and delivery of this Agreement and, except with respect to Section 4.9(iv) below, as of the date of each advance of Loan proceeds, as follows:

4.1 Due Organization. The Borrower is a duly organized and validly existing limited liability company in accordance with Chapter 156C of the Massachusetts General Laws and is in good standing under the laws of the Commonwealth and its manager/managing member is a duly organized and validly existing corporation in accordance with Chapter 156D of the General Laws and is in good standing under the laws of the Commonwealth. The Borrower's manager/managing member has been granted tax-exempt status as a Section 501(c)(3) corporation under the Internal Revenue Code of 1986, as amended. The foregoing requirement shall be considered met if a tax-exempt corporation has a controlling financial or managerial interest in the Borrower's manager/managing member.

4.2 Due Authority. The Borrower and its manager/managing member have the requisite power and authority to own the Property and to carry on business as now being conducted and as contemplated under this Agreement and the other Loan Documents.

4.3 Requisite Power. The Borrower has the power to execute and perform this Agreement and has the power to borrow and to execute and deliver all other Loan Documents.

4.4 Requisite Action. The execution and performance by the Borrower of the terms and provisions of this Agreement and each of the other Loan Documents have been duly authorized by all requisite action, will not violate any provision of law, any order of any court or other agency of

government, or any indenture, agreement or other instrument to which the Borrower is a party or by which it is bound, including without limitation the Ground Lease and will not be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, 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, other than the Mortgage and the Permitted Encumbrances.

4.5 Financial Statements. Financial data, reports and other information on the Project, the Property, the Borrower or the Sponsor furnished to the Participating Lenders by the Borrower or the Sponsor are accurate and complete and, as to financial disclosures, fairly present the financial position of the Borrower or the Sponsor, as the case may be.

4.6 No Adverse Change. There has been no material adverse change in the condition, financial or otherwise, of the Sponsor or the Borrower since the date of the most recent financial statement referred to in Section 4.5.

4.7 No Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Borrower, threatened against or affecting the Project, the Property, the Sponsor or the Borrower which, if adversely determined, would have a material adverse effect on the business, operations, properties (including the Property), assets or condition, financial or otherwise of the Sponsor or the Borrower.

4.8 No Violation. The plans and specifications have been approved by holders of the Other Loans and all governmental bodies having jurisdiction over the Project. The Borrower has obtained all necessary governmental permits for the Project (excepting only such permits, licenses and/or approvals which cannot be obtained until the commencement, a future interim stage, or completion of construction of the Project, a list of which has been supplied by the Borrower to the Participating Lenders, and which the Borrower hereby undertakes to update regularly to reflect the receipt of any and all subsequently-issued permits, licenses and/or approvals), and neither the Project nor occupancy of the Property after completion of the Project will violate any building, zoning, subdivision, land-use, health, historic preservation, licensing, rent control, planning, sanitation, handicapped access or environmental protection ordinance, regulation or law.

4.9 No Default. There are no defaults or sets of facts which, with the passage of time or otherwise, would constitute a default (i) under any agreements by and between the Borrower and the holders of the Other Loans or under the Ground Lease; or (ii) under this Agreement or any of the other Loan Documents; or (iii) under the organizational documents of the Borrower, the Borrower's manager/managing member or the Sponsor; or (iv) under any obligation of the Borrower, Sponsor or any of their Principals (as defined in the Commitment Letter for the AHT Loan) to The Commonwealth of Massachusetts or any agency, instrumentality or subdivision thereof.

4.10 Sufficient Funds. The proceeds of the Other Loans, the Loan, the syndication proceeds, and any other sources of funds disclosed by the Borrower to the Participating Lenders provide sufficient funds to complete the Project and operate the Property in accordance with the provisions and requirements of this Agreement. Any and all proceeds of the Other Loans, if any,

scheduled to be advanced prior to the date hereof have been advanced to the Borrower, and funds in the full amount of the Other Loans, if any, are available through executed Other Loan documents, or through binding commitments satisfactory to the Participating Lenders.

4.11 Development Team. The members of the Borrower's development team for the Project are as set forth in Exhibit F attached hereto.

4.12 No Hazardous Substances. To the best of its knowledge, no oil, asbestos, urea formaldehyde foam insulation, nor any other hazardous material, hazardous waste or hazardous substance (hereinafter collectively called "hazardous substances"), as those terms are defined by any applicable law, rule or regulation including without limitation, the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, M.G.L. c. 21E, the Massachusetts Hazardous Waste Management Act, M.G.L. c. 21C, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Sections 9601 et seq., and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901 et seq., has been or is being generated, stored, released or disposed of on, under or from the Property, except for certain hazardous substances as previously disclosed to the Participating Lenders in the environmental reports delivered to the Participating Lenders and listed in Exhibit H attached hereto, as to all of which hazardous substances the Borrower shall undertake and complete all necessary and appropriate response actions (including without limitation removal, encapsulation and/or remediation) in accordance with all applicable legal requirements in order to achieve a level of no significant risk to human health, public welfare or the environment, prior to completion of the Project and occupancy of any units therein. The Borrower shall not release or permit any release or threat of release of any hazardous substances on the Property, nor generate or permit any hazardous substances to be generated on the Property; nor store or permit any hazardous substances to be stored on the Property (unless such substance is customarily used in connection with construction or operation of a housing development and either a permit is issued therefor or such storage is allowed by applicable law). The Borrower shall provide the Participating Lenders with prompt written notice: (a) upon the Borrower's becoming aware of any release or threat of release of any hazardous substances upon, under or from the Property; (b) upon the Borrower's receipt of any notice from any federal, state, municipal or other governmental agency or authority in connection with any hazardous substance located upon or under the Property, or emanating from the Property; and (c) upon the Borrower's obtaining knowledge of the incurring of any expense by any governmental authority in connection with the assessment, containment or removal of any hazardous substances located upon or under the Property or emanating from the Property. The Borrower hereby agrees, at its sole cost and expense, to promptly take all remedial action necessary to assess, contain, monitor, remediate and remove all hazardous substances which are located upon or released at the Property in such a manner as to bring the Property in compliance with applicable legal requirements, and to take all actions necessary or appropriate to avoid any liability of or claims against the Borrower, the Participating Lenders, the Administrator, or any subsequent owner of the Property, and to avoid the imposition of any liens on the Property as a result of the presence of hazardous substances thereon. The Borrower agrees, at its sole cost and expense, to provide to the Participating Lenders all professional environmental assessments prepared with respect to the Property at any time while the Loan is outstanding and such other information with respect to hazardous substances at the Property any Participating

Lender from time to time may require. The Borrower further agrees to indemnify and hold the Participating Lenders and the Administrator harmless from and against any and all liabilities, damages, losses, obligations, penalties, claims, demands, actions, costs and expenses (including without limitation attorneys and expert fees and costs) of any kind or nature whatsoever arising at any time from or out of the presence or release of any hazardous substance at or from the Property or the violation of any legal requirements with respect to such hazardous substances. Except as otherwise provided in this Section, the liability and obligations of the Borrower under this Section shall survive payment of the Loan and/or any foreclosure, deed in lieu of foreclosure, termination, discharge, or partial release of the Mortgage or any other Loan Document, provided, however, the liability and obligations of the Borrower under this Section shall cease and be of no further force or effect if (i) the Loan is paid in full before the Agent takes possession of, collects rents from, forecloses upon, or accepts a deed in lieu of foreclosure for the Property; and (ii) the Participating Lenders are entitled to retain such payment(s) and shall no longer be subject to the possibility of having to refund or disgorge any sums received to any party by operation of bankruptcy, creditor protection, or insolvency laws now or hereafter enacted. In addition, Borrower shall have no liability under this Section with respect to hazardous substances or the violation of any legal requirements with respect to such hazardous substances which first affect the Property (or any areas surrounding the Property) after the discharge, deed in lieu of foreclosure or foreclosure of the Mortgage.

4.13 Debarment. Neither Borrower nor any of Borrower's partners, members, managers, or any person having a beneficial interest in Borrower, the Property and/or the Project (i) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency; (ii) have within the three-year period preceding this Agreement been convicted of, or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (iii) are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in subparagraph (ii) above; and (iv) have within the three-year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause or default.

4.14 No Personal Benefit. No member, shareholder, officer, employee or director of the Borrower or its board of directors has or will profit in any way, directly or indirectly, from the Loan or the Project.

4.15 Tenants Eligible for Relocation Assistance. The list of persons (including individuals, businesses, nonprofit organizations, corporations, partnerships and associations) and their addresses included in the approved relocation plan for the Project, if any, is a true and accurate listing of all persons occupying any part of the Property as of the date hereof and on whichever of the following dates is applicable:

(A) If the Borrower had site control of the Property at the time of its application to DHCD for financing, the date of submission to DHCD of such application; or

(B) If the Borrower did not have site control of the Property at the time of its application to DHCD for financing, the date DHCD approved such application.

4.16 Compliance with HIF Program Regulations.

The Project:

(A) is (i) a Financially Feasible Project which is capable of complying with all of the loan terms set forth at 760 CMR 23.04(2) of the Regulations; and (ii) an Alternative Form of Housing, as defined in 760 CMR 23.02 of the HIF Regulations;

(B) provides an Alternative Form of Housing meeting the affordability requirements of the Affordable Housing Restriction;

(C) is developed and owned by one or more non-profit corporations (or an entity or entities in which such non-profit corporations have a controlling interest), or by a limited equity cooperative housing corporation; and

(D) involves the Creation of Housing or the Preservation of Housing within the meaning of 760 CMR 23.02 of the Regulations or the refinancing of an existing HIF loan if and to the extent permitted pursuant to 760 CMR 23.04(3). Capitalized terms used in this Section and not otherwise defined in this Agreement shall have the definitions and meanings provided in the HIF Regulations.

Furthermore, the amount of the HIF Loan is not more than fifty percent (50%) of the total development costs of the Project.

4.17 Compliance with CBH Program Requirements.

The Project:

(A) is a Financially Feasible Project that is capable of complying with all of the loan terms set forth at 760 CMR 60.04 of the CBH Regulations;

(B) is (or upon completion of construction in accordance with the plans and specifications shall be) in compliance with the applicable requirements of the CBH Statute, as amended;

(C) in accordance with the EOHHS Services Plan, provides CBH Community-Based Housing for PCEs;

(D) is owned, developed and operated by one or more non-profit corporations or an entity or entities in which one or more non-profit corporations have a controlling financial or managerial interest; and

(E) involves (i) new construction, rehabilitation of an existing building, or the conversion of an existing non-Eligible Project to an Eligible Project; (ii) the Preservation of Housing; or (iii) the refinancing of an existing CBH loan if permitted under 760 CMR 60.04(3). Capitalized terms used in this Section and not otherwise defined in this Agreement shall have the definitions and meanings provided in the CBH Regulations.

Furthermore, the amount of the CBH Loan is not more than fifty percent (50%) of the total development costs of the Project.

4.18 Insufficient Private Capital. The private sector has not provided sufficient capital required for the Project.

4.19 No Arbitrage. The Borrower shall not, directly or indirectly, use or permit the use of any proceeds of the AHT Loan, CBH Loan, and HIF Loan, or take or fail to take any other action, which would cause the bonds from which AHT Loan, CBH Loan, and HIF Loan proceeds were funded to be considered "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

4.20 Ground Lease. The Ground Lease has not been amended, supplemented or otherwise modified, is currently in full force and effect.

Each of the foregoing representations and warranties shall survive the making of the Loan and any advance of funds pursuant thereto and the Borrower shall indemnify and hold harmless the Participating Lenders and the Administrator from and against all liabilities, damages, losses, obligations, penalties, claims, demands, actions, costs and expenses (including without limitation attorneys and expert fees and costs) of any kind or nature directly or indirectly resulting from the breach thereof, including, without limitation, costs of defending or settling any claim arising therefrom against the Participating Lenders or the Administrator.

SECTION 5. BORROWER'S COVENANTS

Until payment in full of the Loan and all other sums required to be paid by the Borrower under the Loan Documents, the Borrower agrees that it shall comply with all of the terms and conditions of the Loan Documents and the Regulations and that it shall:

5.1 Completion of Project. Complete the Project in a timely manner in accordance with the Project Schedule, the approved plans and specifications and the Project Sources and Uses.

5.2 Construction of Project. Build the Project and operate the Property consistently with this Agreement, the organizational documents of the Borrower, the Statutes, Regulations and Guidelines and the Loan Documents.

5.3 Quality Standards. Complete the Project in conformance with (i) the housing quality standards set forth in the regulations of HUD at 24 CFR §982.401 or any successor regulations; (ii) the accessibility requirements at 24 CFR Part 8, which implement Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794); (iii) the Massachusetts State Building Code and the Massachusetts State Sanitary Code (105 CMR §410.00); (iv) all applicable federal, state and/or local statutes, regulations or ordinances which may be applicable thereto, including, without limitation, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §12101 (as it may from time to time be amended or replaced) and (v) if applicable, the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §§3601-3619) and (vi) the Massachusetts State Building Code energy conservation standards which are based upon the 1995 edition of the Model Energy Code published by the Council of American

Building Officials with Massachusetts specific amendments (as it may be amended from time to time). No contractor or subcontractor performing work on the Project shall be on HUD's list of debarred persons.

5.4 Development and Operation. Take all steps to develop and operate the Property in accordance with the Project Sources and Uses, the Statutes, Regulations and Guidelines, the provisions of the documents governing the Other Loans, the Ground Lease, and the Loan Documents.

5.5 Compliance with Laws and Agreements. Continuously comply with all (i) applicable building, fire, licensing, health, sanitation, historic preservation, environmental protection, land-use, subdivision and zoning ordinances and regulations promulgated by any national, state or local governmental body, agency or division having jurisdiction over the Property, (ii) the organizational documents of the Borrower, (iii) the approved affirmative fair housing marketing plan for the Project, and (iv) all restrictions or other encumbrances affecting title to the Property, including the Ground Lease. The Borrower agrees to comply with the applicable requirements of the national and local boards of fire underwriters and to furnish the Participating Lenders such evidence thereof as the Participating Lenders may reasonably require.

5.6 Records.

- (a) Keep proper and separate books and records and make, or cause to be made, full and true entries of all dealings and transactions of every kind relating to the Project and the Property, which books and records will be open to inspection by the Participating Lenders and their agents and representatives at all reasonable times at the Property. "Records" shall include receipts, checks, invoices, contracts and sub-contracts, books of account, reports, financial statements, and all other compilations of data documenting transactions with respect to the Project and Borrower's compliance with Program requirements, including:
 - (i) Records of all Program-related account transactions, including deposits, disbursements, and balances, and of all tangible assets purchased in whole or in part with funds provided pursuant hereto.
 - (ii) Records supporting requests for payment and disbursement of Program funds.
 - (iii) Records indicating the source and amount of any repayment, interest, and other return on investment of Program funds.
 - (iv) Records of all written agreements and contracts pertaining to the Project, including but not limited to, mortgages, deed restrictions, covenants, leases, and/or other agreements as approved.
 - (v) Records documenting the per-unit amount invested in the Project by each Participating Lender.
 - (vi) Audits and resolution of audit findings.
 - (vii) Income certifications as required by the Affordable Housing Restriction.

- (viii) Where applicable, records of monthly rent and utility allowances for each assisted rental unit.
 - (ix) Documentation of efforts to undertake affirmative marketing procedures.
 - (x) Where applicable, documentation of efforts to recruit MBEs and WBEs.
 - (xi) Records documenting that all assisted units meet Section 8 Housing Quality Standards as well as applicable state and local codes. Records also must document full compliance with the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. §4822 and implementing regulations at 24 CFR Part 35.
- (b) Retain all records, accounts, documentation, and all other relevant materials for a period of three (3) years after the final advance hereunder. The Borrower agrees to permit all Participating Lenders and their agents and designees to examine the Borrower's books and records, including all financial statements and records, from time to time, insofar as the same may apply to the Borrower's use of funds made available hereunder. The Borrower further agrees to furnish such other information as any Participating Lender may request (including the Borrower's records and accounts), for the purpose of determining the Borrower's compliance with this Loan Agreement, the other Loan Documents, and the Statutes, Regulations and Guidelines.
- (c) Cooperate fully with any audit survey of the Project requested by a Participating Lender from time to time to comply with the Regulations.

5.7 Other Loans/Ground Lease. Perform all its obligations and agreements under the documents governing the Other Loans, the Loan Documents, the organizational documents of the Borrower, the Ground Lease and any other agreements or instruments to which the Borrower is a party and which relate to the Loan, to the Project or to the Property. The Borrower shall give notice to the Participating Lenders of any notices received by it from a holder of any Other Loan relative to any default or delinquency under any Other Loan or from the landlord under the Ground Lease relative to any default or delinquency under the Ground Lease and, upon the request of a Participating Lender, the Borrower shall inform such Participating Lender of the status of any Other Loan and of the Ground Lease. The Borrower shall not increase the amount of, amend, terminate, renew, extend or refinance any Other Loan and shall not enter into any modification, termination or amendment of the Ground Lease or give any approval required or permitted under the Ground Lease or exercise any termination rights or other rights or option(s) relating thereto, or release or discharge the ground landlord from any of the terms or obligations of the Ground Lease, without the prior written consent of the Participating Lenders. The Borrower acknowledges that the CBH Loan and HIF Loan cannot be refinanced during the term thereof, as the same may be extended, except in accordance with the CBH and HIF Regulations.

If, under the terms of the Ground Lease, any delinquency or non-payment by the Borrower would or could constitute a material default thereunder for which the ground landlord may terminate the Ground Lease without any notice or grace period (whether due to prior defaults by the Borrower under the Ground Lease or otherwise), at any Participating Lender's request, the Borrower shall deliver all future payments due under the Ground Lease to such Participating Lender by such

number of days prior to the due date as such Participating Lender may reasonably specify, or make other arrangements reasonably satisfactory to such Participating Lender to insure the timely payment of all such future payments.

5.8 Indemnification. Indemnify, exonerate and hold harmless the Administrator and the Participating Lenders from any and all liabilities, damages, losses, obligations, penalties, claims, demands, actions, costs and expenses (including without limitation attorneys and expert fees and costs) of any kind or nature whatsoever which it may or shall incur in connection with the Loan or the Loan Documents or by reason of any good faith action taken by the Administrator, and the Participating Lenders in relation thereto (except to the extent caused by the gross negligence or willful misconduct of the indemnitee).

5.9 Renewal of Licenses, Permits. Promptly before they expire, renew all licenses or other permits required for operation of the Property as improved by the Project, and provide copies of the same to the Participating Lenders within thirty (30) days of receipt.

5.10 Operations. Operate the Property in accordance with the affordability restrictions set forth in the Affordable Housing Restriction.

5.11 Relocation Assistance. Provide relocation assistance for displaced persons as required by the regulations set forth in 24 CFR §92.353 and Chapter 79A of the Massachusetts General Laws. Displaced persons shall include, without limitation, any person identified in the approved relocation plan for the Project, if any, who moves from the Property or moves personal property from the Property permanently, as a direct result of acquisition, rehabilitation or demolition for the Project. The Borrower shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601-4655) and the regulations promulgated thereunder at 49 CFR Part 24 in connection with any family, individual, business or nonprofit organization that is permanently and involuntarily displaced as a result of the use of the proceeds of the Loan for the Project.

5.12 Other Federal and State Requirements. Carry out each activity provided for in this Agreement and in the other Loan Documents in compliance with all applicable federal laws and regulations described in 24 CFR §92.350 (nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors (2 CFR §2424); and drug-free workplace (41 U.S.C. §701 et seq., 24 CFR §21), §92.351 (affirmative marketing), §92.353 (displacement, relocation and acquisition), §92.354 (Davis-Bacon Act wages), §92.355 (lead-based paint) and §92.356 (conflict of interest) and §92.358 (consultant activities). The Borrower shall ensure that no otherwise qualified person shall be excluded from participation or employment, denied program benefits or subjected to discrimination based on race, color, national origin, sex, age, handicap, religion or religious preference or sexual orientation under any program or activity funded under this Loan Agreement, as required by Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000(d)) and implementing regulations at 24 CFR Part 1 (Nondiscrimination in Federally Assisted Programs), the Fair Housing Act (42 U.S.C. §§3601-19) and implementing regulations at 24 CFR Part 100 (Discriminating Conduct under the Fair Housing Act), the Age Discrimination Act of 1975 (42 U.S.C. §§6101-6107) and implementing regulations at 24 CFR Part 146 (Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance) and under all non-discrimination laws and regulations of The

Commonwealth of Massachusetts. The Borrower shall comply with the following civil rights mandates: (i) Section 109 of Title I - Housing and Community Development Act of 1974 prohibiting discrimination on the basis of race, color, national origin, sex, age or handicap; (ii) Title VIII of the Civil Rights Act of 1968, amended by the Community Development and Housing Act of 1974, prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale, rental, marketing or financing of housing; (iii) OMB Circular A-102 Attachment O, Paragraphs 9(a) and 9(b), requiring affirmative steps to assure that small businesses, minority-owned businesses and women-owned businesses are utilized when possible as sources of supplies, equipment, construction and services, as applicable; and (iv) Chapter 516 of the Acts and Resolves of 1989 of The Commonwealth of Massachusetts prohibiting discrimination on the basis of race, color, religious creed, national origin, sex, sexual orientation, age, ancestry or handicap. The Borrower shall comply with all applicable Commonwealth of Massachusetts procurement requirements and any special procurement requirements imposed by DHCD and the procurement and contracting standards set forth at 24 CFR §85.36. The Borrower shall comply with Section 3 of the HUD Act of 1968, as amended by the Housing and Community Development Act of 1992 (12 U.S.C. §1701u) and the Section 3 Regulations (24 CFR Part 135), as the same may be amended from time to time or any successor regulations, in connection with the construction, alterations or improvement of the Project. Borrower shall submit within seven (7) days of request by a Participating Lender, evidence of compliance with Section 3 training, employment and business opportunity requirements and shall include the Section 3 addendum, attached hereto as Exhibit N, in every construction contract and subcontract entered into for the Project.

5.13 Conflict of Interest. The Borrower shall comply with The Commonwealth of Massachusetts conflict-of-interest law M.G.L. c. 268A.

5.14 Use of Loan Proceeds. Use Loan proceeds solely for Eligible Project Costs and ensure that the proceeds of the Loan will not be reloaned or assigned to any party and will not be used for any purpose prohibited by the Loan Documents or the Statutes, Regulations or Guidelines.

5.15 Publicity; Signs. Upon request, permit a sign to be erected at the Property at a location selected by the Participating Lenders indicating that the Project is being financed in part by DHCD, AHT, CEDAC, and the City, subject to compliance with the zoning by-laws or ordinances of the municipality in which the Property is located. The sign shall remain at the Project for at least thirty (30) days following the completion of construction. The sign shall be plywood, securely mounted, and shall read as follows: Funds for this Project have been provided by _____.

5.16 Development Team. Not change any member of its development team for the Project from those listed in Exhibit F attached hereto, without the Participating Lenders' prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

5.17 Modification of Organizational Documents. Not amend, modify or restate in any material respects the Borrower's organizational documents and not permit the amendment or modification in any material respects of the organizational documents of the Borrower's manager/managing member, without the Participating Lenders' prior written consent, the Borrower hereby acknowledging and agreeing that any amendment to provisions relating to the purposes of the Borrower, a sale or transfer of the interest of the managing member in the Borrower, the

withdrawal or removal of the managing member from the Borrower, or the sale or other transfer of the Property or any other amendment which would or could materially affect the rights and interests of the Participating Lenders under the Loan Documents, and/or the compliance of the Borrower and the Project with the Statutes, Regulations and Guidelines shall be deemed material for purposes of this Section.

5.18 Reporting. Comply with all reporting requirements set forth herein and in the other Loan Documents.

5.19 Management. Provide for the management of the Property in a manner reasonably satisfactory to the Participating Lenders pursuant to a management contract approved by the Participating Lenders. Any changes or amendments to the management contract and the selection of a new management agent shall be subject to the prior written approval of the Participating Lenders. Any management contract entered into by the Borrower shall contain a provision that it shall be subject to termination, without penalty and with or without cause, immediately upon written notice from a Participating Lender after an Event of Default. Upon receipt of notice of termination, the Borrower shall immediately make arrangements satisfactory to the Participating Lenders for continuing proper management of the Property. The Borrower, with the approval of the Participating Lenders, may retain the terminated management agent for up to thirty (30) days while a replacement management agent is being selected. In the event that the Borrower has not made arrangements satisfactory to the Participating Lenders for continuing proper management of the Property thirty (30) days after the termination of the management contract (whether or not such termination is pursuant to the provisions of this Section), the Participating Lenders shall have the right to require the Borrower to execute a management contract with a management agent designated by the Participating Lenders.

5.20 Tax-Exempt Status. Maintain or cause each ultimate beneficial owner of the Borrower's managing member to maintain its tax-exempt status as a Section 501(c)(3) corporation under the Internal Revenue Code of 1986, as amended (the Borrower agreeing promptly to give due notice to the Participating Lenders of any notice received by the Borrower that affects or could affect or otherwise relate to such tax-exempt status); and ensure that the Project will at all times be owned, developed and operated by one or more non-profit corporations organized pursuant to Chapter 180 of the Massachusetts General Laws, or an entity or entities in which one or more non-profit corporations have a controlling financial or managerial interest (the Borrower agreeing that it shall make no material change to its organizational documents without first obtaining the written approval of the Participating Lenders other than as permitted in Section 5.16 above).

5.21 No Reserve Fund. Not establish any sinking fund, debt service fund, redemption fund, reserve fund (other than a reserve fund for replacement of capital items) or similar fund to be used to pay any portion of the principal of or interest on any portion of the Loan financed with tax-exempt bonds.

SECTION 6. REPORTING REQUIREMENTS

6.1 Project Completion Reports.

- (a) Completion Documentation. If not already submitted pursuant to Section 3.3(F) above, within thirty (30) days of issuance of the final certificate of occupancy for the Project, the Borrower shall promptly deliver to the Participating Lenders the following:
 - (i) certificates of occupancy for all units to be created or rehabilitated by the Project; and
 - (ii) Architect's Certificate of Substantial Completion on AIA Form G704.
- (b) Cost Certification. Within ninety (90) days of issuance of the final certificate of occupancy for the Project, the Borrower shall deliver to the Participating Lenders a final cost certification, in form acceptable to, and with any supporting documentation required by, the Participating Lenders. Borrower shall cause the aforementioned cost certification to be certified in an audit prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied and submitted within 120 days after the completion of the Project.
- (c) Close-Out Reports. Within sixty (60) days following the final Disbursement Request, the Borrower shall submit a "close-out" report, in a format prescribed by DHCD, to CEDAC.

6.2 Annual Reports.

- (a) Annual Financial Statements. Within one hundred twenty (120) days after the end of each fiscal year of the Borrower, the Borrower shall furnish the Participating Lenders with annual audited financial statements of the Borrower.
- (b) Borrower's Certifications. Within one hundred twenty (120) days after the end of each fiscal year of the Borrower, the Borrower shall provide the Participating Lenders with a certification signed by the Borrower that:
 - (i) The Property is being operated consistently with this Agreement, the organizational documents of the Borrower, the Statutes, Regulations and Guidelines, and the Loan Documents; and
 - (ii) The Borrower, the Sponsor and their respective principals are current on all existing obligations to The Commonwealth of Massachusetts and to any subdivision, agency, authority or instrumentality thereof.
- (c) Cash Flow Documentation. Within forty-five (45) days after the end of the Borrower's fiscal year, the Borrower shall deliver a report, in a form acceptable to CEDAC, documenting the Property's cash flow, calculating the net cash flow of the operation of the Property in accordance with the net cash flow provisions of the CBH Note (which report shall reflect the financial information for the Property only, and shall not be consolidated with financial information relating to any other properties and/or operations of the Borrower).
- (d) Nonprofit Documentation. Within forty-five (45) days after the end of the Borrower's fiscal year, the Borrower shall deliver a report, in a form acceptable to CEDAC, documenting the continuing control of the Property by a non-profit entity.

6.3 Additional Reporting Requirements. The Borrower shall prepare and submit to the Participating Lenders such additional reports as may from time to time be reasonably required, and shall comply with the reporting requirements set forth in the Affordable Housing Restriction.

SECTION 7. EVENTS OF DEFAULT.

An "Event of Default" shall arise under this Agreement upon the occurrence of any one or more of the following events:

7.1 Assignment of Loan. The Borrower assigns this Agreement or any money advanced hereunder without the prior written consent of the Participating Lenders, or the Borrower sells, transfers, conveys, leases, encumbers, or in any other way exchanges the Property, or interests in the Borrower in violation of the transfer restrictions set forth in the Affordable Housing Restriction.

7.2 Misrepresentation. Any representation or warranty made herein or in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or the Loan shall prove to be false in any material respect.

7.3 Nonpayment. The Borrower fails to pay the principal of, or fees or interest on, the Note or any other indebtedness of the Borrower under the Loan Documents after the same shall become due and payable and such failure continues beyond any applicable grace period.

7.4 Breach of Covenant. The Borrower defaults in the due observance or performance of any other covenant, condition or agreement to be observed or performed by the Borrower pursuant to the terms of the Loan Documents and the continuance of such default for thirty (30) days after written notice thereof from the Agent or a Participating Lender to the Borrower; provided, however, that if the curing of such default cannot be accomplished with due diligence within said period of thirty (30) days, then the Borrower shall have such additional reasonable period of time, not to exceed thirty (30) days, to cure such default provided the Borrower shall have commenced to cure such default within the initial thirty (30) day period, such cure shall have been diligently prosecuted by the Borrower thereafter to completion and no Participating Lender reasonably deems the Property jeopardized by such further delay.

7.5 Insolvency. The Borrower or the Borrower's managing member shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or any of its property, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors or (iv) be adjudicated a bankrupt or insolvent (however such insolvency may be evidenced).

7.6 Bankruptcy. Any proceeding involving the Borrower or the Borrower's managing member is commenced by or against the same under any bankruptcy or reorganization arrangement, probate, insolvency, readjustment of debt, dissolution or liquidation law of the United States, or any state, but if such proceedings are instituted no Event of Default shall be deemed to have occurred hereunder unless the Borrower or the Borrower's managing member, as the case may be either approves, consents to, or acquiesces in such proceedings, or such proceedings are not dismissed within sixty (60) days.

7.7 Reorganization. An order, judgment or decree is entered, without the application, approval or consent of the Borrower or the Borrower's managing member, by any court of competent jurisdiction approving a petition seeking reorganization or approving the appointment of a receiver, trustee or liquidator of the Borrower or the Borrower's managing member, as the case may be or all or a substantial part of its assets, and such order, judgment or decree shall continue un-stayed and in effect for a period of sixty (60) days.

7.8 Change in Form. Any change in the legal form of, or the termination or dissolution of, the Borrower.

7.9 Judgment. Any judgment, warrant, writ of attachment, or any similar process (in an amount exceeding \$20,000, or, if more than one action, when added together all such actions exceed \$20,000) is issued or filed against the Borrower or against property or assets of the same, and is not vacated, bonded or stayed within sixty (60) days.

7.10 Default on Other Loan or on Ground Lease. Default on the part of the Borrower or the Sponsor, continuing beyond any applicable grace period, in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to any documents or instruments now or hereafter existing entered into by the Borrower governing any Other Loan or any default by the Borrower under the Ground Lease continuing beyond any applicable notice or grace period.

Notwithstanding the foregoing, the Borrower's investor member shall have the right to cure any default within the applicable cure period provided in this Section 7 or to pay any amount or do any act or thing required of the Borrower by the terms of this Agreement. All payments made and all acts performed by the Borrower's investor member within such cure period to cure such default shall be accepted by the Participating Lenders as if made by the Borrower.

SECTION 8. RIGHTS ON DEFAULT

Upon the occurrence of any one or more of the Events of Default enumerated in the foregoing Section 7, and at any time thereafter, then:

8.1 Acceleration. A Participating Lender may declare its Note and any and all other indebtedness of the Borrower to such Participating Lender forthwith to be due and payable, whether or not the indebtedness evidenced by the Note shall be otherwise due and payable and whether or not the Agent shall have initiated any foreclosure or other action for the enforcement of the Loan Documents, whereupon the Note and any other such indebtedness shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower.

8.2 Attorney-in-Fact. For the purposes of carrying out the provisions and exercising the rights, powers and privileges granted by this Section 8, the Borrower hereby irrevocably constitutes and appoints the Agent its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and do and perform any acts which are referred to in this Section 8, in the name and on behalf of the Borrower. The power

vested in said attorney-in-fact is, and shall be deemed to be, coupled with an interest and irrevocable.

8.3 Other Remedies. Upon the occurrence of an Event of Default, the rights, powers and privileges provided in this Section 8 and all other remedies available to the Agent or the other Participating Lenders under this Agreement or under any of the Loan Documents or at law or in equity, may be exercised by the Agent, including but not limited to the commencement of foreclosure proceedings under the Mortgage, the right to cure the Borrower's defaults as more fully set forth in the Mortgage or the commencement of an action seeking specific performance under any Loan Document, whether or not the indebtedness evidenced and secured by the Loan Documents otherwise shall be due and payable, and whether or not the Agent shall have instituted any foreclosure proceedings or other action for the enforcement of its rights under any of the Loan Documents. Failure of the Agent to exercise any rights or remedies at any time shall not constitute a waiver of any of the rights or remedies of the Agent or the other Participating Lenders. Any Participating Lender may, at its option, after five (5) days' written notice to the Borrower, discharge any liens or other encumbrances (other than the Permitted Encumbrances) upon, and purchase and maintain insurance in respect of, the Property and any materials stored thereon or therein, and pay any other sums the Borrower is obligated to pay under the Loan Documents. Any amount expended by a Participating Lender for such purposes shall be treated as advances under Loan shall be secured by the Mortgage and shall bear simple interest at the delinquency rate set forth in Section 8.2 of the Mortgage.

SECTION 9. MISCELLANEOUS

9.1 Assignment. The Borrower shall not assign or attempt to assign directly or indirectly, any of its rights under this Agreement or under any instrument referred to herein without the prior written consent of the Participating Lenders in each instance. Any such assignment made in violation of this provision shall be voidable at the option of the Participating Lenders. Any assignee shall be bound by all the terms of the assigned documents.

9.2 Notices. Any notice, request, instruction or other document to be given hereunder to either party by the other shall be in writing and delivered personally or sent by recognized overnight courier, receipt confirmed or sent by certified or registered mail, postage prepaid, to the addresses set forth in this Agreement. Either party may change the address to which notices are to be sent to it by giving written notice of such change of address to the other party in the manner herein provided for giving notice. Any such notice, request, instruction or other document shall be conclusively deemed to have been received and be effective on the day on which personally delivered or, if sent by certified or registered mail, three (3) days after the day on which mailed or, if sent by overnight courier, on the day after delivered to such courier. The Agent shall use reasonable efforts to send courtesy copies of all notices sent to the Borrower to the Borrower's investor at the address set forth below, provided that any failure to send such a courtesy copy shall not affect the validity of any notice: Massachusetts Housing Investment Corporation, 70 Federal Street, Boston, Massachusetts 02110, Attention: Richard Becker, Director of Asset Management.

9.3 Choice of Law. The Loan Documents shall be construed in accordance with and governed by the laws of The Commonwealth of Massachusetts.

9.4 Modifications Must be in Writing. No modification or waiver of any provision of the Loan Documents, nor consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing signed by Borrower and Agent, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No failure or delay on the part of a Participating Lender or the Agent in exercising any right, power or privilege hereunder or under the Note or the Loan Documents shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9.5 Survival. This Agreement and all covenants, agreements, representations and warranties made herein shall survive the making by the Participating Lenders of the Loan and the execution and delivery to the Agent of the Loan Documents, and shall continue in full force and effect so long as any portion of the Note is outstanding and unpaid. This Agreement shall inure to the benefit of and be binding on the successors and assigns of the Agent and of the Participating Lenders and the Administrator, and the permitted successors and assigns of the Borrower.

9.6 Requirements of Tax Exempt Bonds. The Borrower acknowledges that all or a portion of the funds to be provided hereunder have or will have as their source tax exempt bonds. In that regard, the Borrower agrees to enter into such amendments to this Agreement and the other Loan Documents as may be required in the judgment of bond counsel to The Commonwealth of Massachusetts in order to satisfy all requirements of such tax exempt bonds.

9.7 Exhibits. All Exhibits referred to in this Agreement are by such references fully incorporated herein.

9.8 Exculpation. This Agreement is subject to the exculpation provisions set forth in the Note.

9.9 Monitoring Fee. In order to enable CEDAC to monitor the Borrower's compliance with the provisions of this Agreement, during the term of the Loan, the Borrower agrees to pay to DHCD, upon request, an annual fee initially equal to \$25.00 per CBH Program dwelling unit in the Project, or a minimum of \$250.00, which fee shall be subject to annual adjustment for inflation. The Borrower agrees to pay the fee to DHCD within thirty (30) days of written request from DHCD.

9.10 Integration. This Agreement contains the entire agreement between the parties hereto with respect to the matters set forth herein and is intended to be an integration of all prior agreements, conditions or undertakings between the parties hereto with respect to such matters. Except as expressly set forth in this Agreement and in the other Loan Documents, there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties hereto with respect to the matters set forth herein.

9.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

9.12 Severability. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the other provisions hereof shall be liberally construed in order to effect the provisions and intent hereof.

9.13 No Third Party Beneficiaries. No provision of this Agreement shall be construed to confer any rights upon any person or entity who is not a party hereto, whether as third party beneficiary or otherwise.

9.14 Relationship of Parties. The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the parties as lenders and borrower and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Participating Lenders or any of them or by and among the Participating Lenders and the Borrower.

9.15 Undocumented Workers. The Borrower certifies under the pains and penalties of perjury that the Borrower shall not knowingly use undocumented workers in connection with the performance of its obligations under this Loan Agreement or any other Loan Document; that pursuant to federal requirements, the Borrower shall verify the immigration status of all workers assigned to perform any such obligations without engaging in lawful discrimination; and that the Borrower shall not knowingly or recklessly alter, falsify, or accept altered or falsified documents from any such worker(s). The Borrower understands and agrees that breach of any of these terms during the term of the Loan may be regarded as a material breach, subjecting the Borrower to sanctions, including but not limited to monetary penalties, withholding of payments, contract suspension or termination.

IN WITNESS WHEREOF, the Agent and the Borrower have each duly executed, or caused to be duly executed, this Agreement under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives, as the case may be, thereunto duly authorized) as of the day and year first above written.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

THE COMMONWEALTH OF MASSACHUSETTS ACTING
BY AND THROUGH THE DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

By: _____

Its: _____

FRANCONIA APARTMENTS LLC

By: FRANCONIA APARTMENTS MM, INC., its
Managing Member

By: _____

Elsie Borden

Its: President

EXHIBITS

- A. Legal Description of Property
- B. Project Sources and Uses
- C. Ineligible Costs
- D. Project Schedule
- E. Other Loans
- F. Development Team
- G. List of Environmental Reports
- H. Pending Litigation
- I. Form of Requisition Certificate
- J. Forms of Lien Waiver
 - Contractor's Partial Waiver and Subordination of Lien
 - Contractor's Conditional Waiver and Release Upon Final Payment
 - Subcontractor's Partial Waiver and Subordination of Lien
 - Subcontractor's Conditional Waiver and Release Upon Final Payment
- K. Definitions of Programs, Statutes, Regulations And Guidelines
- L. Section 3 Addendum

EXHIBIT A: LEGAL DESCRIPTION

EXHIBIT B: PROJECT SOURCES AND USES

EXHIBIT C: INELIGIBLE COSTS

Debt Service Reserves

Operating Reserves

Costs associated with non-residential portions of the Project

EXHIBIT D: PROJECT SCHEDULE

Construction Start	_____
50% Construction Completion	_____
Substantial Completion	_____
First Certificate of Occupancy	_____
Full Certificates of Occupancy	_____
Stabilization	_____
Permanent Loan Closing	_____

EXHIBIT E: OTHER LOANS

LENDER	JUNIOR/SENIOR/PARI PASSU	LOAN AMOUNT
MHIC, LLC	Senior	\$1,900,000
Springfield Housing Action Corporation. (Deferred Fee)	Junior	\$230,000
Massachusetts Housing Partnership Fund Board	Senior	\$1,000,000
Springfield Housing Action Corporation (Energy Grant)	Junior	\$200,000

EXHIBIT F: DEVELOPMENT TEAM

Sponsor: Springfield Housing Action Corporation

Development Consultant: Development Specialists, Inc.

Architect: Right Angle Architects LLP

Contractor: Hammer and Nails Construction Corp.

Attorney: Heisenberg and Planck, PC

Management Agent: Peastone Properties, Inc.

EXHIBIT G: LIST OF ENVIRONMENTAL REPORTS

Environmental Site Assessment (Phase I) prepared by Superclean Environmental Llc, dated March 1, 2009

EXHIBIT H: PENDING LITIGATION

EXHIBIT I: FORM OF REQUISITION CERTIFICATE

To: The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development; The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by its administrator Massachusetts Housing Finance Agency; the Community Economic Development Assistance Corporation; and the City of Springfield, Massachusetts, acting by and through its Office of Housing and Neighborhood Development (the "Participating Lenders")

FROM: Franconia Apartments LLC (the "Borrower")

RE: 365 Annum Street, Springfield, MA ("Project")

DATE: As of _____, 20__

The undersigned has requested Advance No. ___ in the amount of \$_____, and does hereby certify to the Participating Lenders as set forth below. All terms used herein, but not defined herein, shall have the meanings set forth in the Loan Agreement, as hereinafter defined.

1. The Borrower has satisfied in full all conditions precedent and other requirements applicable to this advance as set forth in the Loan Agreement dated as of October 15, 2009 by and between the Borrower and The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development (the "Loan Agreement") on behalf of the Participating Lenders.
2. No changes have been made in any respect to the construction contract for the Project (the "Construction Contract") or the plans and specifications for the Project, except such as have had the Participating Lenders' prior approval, as may be required under the Loan Agreement, and the prior approval of the holder(s) of the Other Loans, as may be required under the documents relating to the Other Loans.
3. Construction of the Project has been and/or will be in every respect performed in accordance with the Construction Contract and the plans and specifications and any such approved changes and in compliance with all applicable building and zoning codes.
4. The proceeds of the Loan to be advanced hereunder, together with the aggregate outstanding balance, if any, of the Loan, the Other Loans and/or any other funds available for the Project, as set forth in the Project Sources and Uses, remaining to be advanced, will provide sufficient funds for the completion of the Project in accordance with the Construction Contract and the plans and specifications;
5. All monies requisitioned by the Borrower and disbursed by the Participating Lenders under previously approved requisitions (if any) have been expended for the purposes for which they were requisitioned.
6. The representations and warranties made in the Loan Agreement are true, correct and complete as of the date hereof with the same effect as if made on this date.

7. The undersigned represents and warrants that it is not in default of any of its obligations under any of the Loan Documents, the Construction Contract, any of the documents relating to the Other Loan, or any of the Borrower's other organizational documents or any other agreement or instrument in connection with the Project, and no event has occurred, which, with the giving of notice and/or the passing of time, or otherwise, would constitute a default under any one or more of the foregoing documents or other instruments.

BORROWER:

FRANCONIA APARTMENTS LLC

By: FRANCONIA APARTMENTS MM, INC., its Managing Member

By: _____

Elsie Borden

Its: President

EXHIBIT J: CONTRACTOR'S PARTIAL WAIVER AND SUBORDINATION OF LIEN

(To be submitted with each application for payment)

(M.G.L. c. 254, §32)

Application for Payment No. _____

OWNER: Franconia Apartments LLC

CONTRACTOR Hammer and Nails Construction Corp.

PROJECT ADDRESS 365 Annum Street, Springfield, Massachusetts

PROJECT Franconia Apartments

LENDER/MORTGAGEE The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development; The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by its administrator Massachusetts Housing Finance Agency; the Community Economic Development Assistance Corporation; and the City of Springfield, Massachusetts, acting by and through its Office of Housing and Neighborhood Development

- 1. Original Contract Amount: \$ _____
- 2. Approved Change Orders: \$ _____
- 3. Adjusted Contract Amount (Line 1 plus Line 2): \$ _____
- 4. Work Completed to Date: \$ _____
- 5. Less Retainage: (\$ _____)
- 6. Total Payable to Date (Line 4 less Line 5): \$ _____
- 7. Less Previous Payments: (\$ _____)
- 8. Current Amount Due (Line 6 less Line 7): \$ _____
- Pending Change Orders: \$ _____
- Disputed Claims: \$ _____

The undersigned Contractor, who has a contract with Owner for furnishing labor or materials, or both labor and materials, and/or rental equipment, appliances or tools for the erection, alteration, repair and/or removal of the building(s) and/or structure(s) or other improvement of real property known and identified as 365 Annum Street located in Springfield, Hampden County, Massachusetts and owned by Owner, upon receipt of _____ Dollars

(\$_____) in payment of an invoice/requisition/application for payment dated _____ and does hereby:

- (a) waive, release, discharge and relinquish any and all liens and claims or rights of lien on such real property for labor or materials, or both labor and materials, and/or rental equipment, appliances or tools, performed or furnished through the following date: _____ (the "payment period"), except for retainage, unpaid agreed or pending change orders, and disputed claims as stated above; and
- (b) subordinate any and all liens and claims or rights of lien to secure payment for such unpaid, agreed or pending change orders and disputed claims, and such further labor or materials, or both labor and materials, and/or rental equipment, appliances or tools, except for retainage, performed or furnished at any time through the twenty-fifth day after the end of the above payment period, to the extent of the amount actually advanced by the above lender/mortgagee through such twenty-fifth day

Signed under the penalties of perjury this ____ day of _____, 200__.

HAMMER AND NAILS CONSTRUCTION CORP.:

By:

Name:

Title:

Hereunto duly authorized

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of _____, 200__, before me, the undersigned notary public, personally appeared _____, the _____ of Hammer and Nails Construction Corp., proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public

My commission expires:

CONTRACTOR'S CONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

(To be submitted with final application for payment)

(M.G.L. c. 254, §32)

	Application for Payment No. _____
OWNER:	Franconia Apartments LLC
CONTRACTOR	Hammer and Nails Construction Corp.
PROJECT ADDRESS	365 Annum Street, Springfield, Massachusetts
PROJECT	Franconia Apartments
LENDER/MORTGAGEE	The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development; The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by its administrator Massachusetts Housing Finance Agency; the Community Economic Development Assistance Corporation; and the City of Springfield, Massachusetts, acting by and through its Office of Housing and Neighborhood Development

- | | |
|--|------------|
| 1. Original Contract Amount: | \$ _____ |
| 2. Approved Change Orders: | \$ _____ |
| 3. Adjusted Contract Amount (Line 1 <u>plus</u> Line 2): | \$ _____ |
| 4. Work Completed to Date: | \$ _____ |
| 5. Less Retainage: | (\$ _____) |
| 6. Total Payable to Date (Line 4 <u>less</u> Line 5): | \$ _____ |
| 7. Less Previous Payments: | (\$ _____) |
| 8. Current Amount Due (Line 6 <u>less</u> Line 7): | \$ _____ |
| Pending Change Orders: | \$ _____ |
| Disputed Claims: | \$ _____ |

The undersigned Contractor, who has a contract with Owner for furnishing labor or materials, or both labor and materials, and/or rental equipment, appliances or tools for the erection, alteration, repair and/or removal of the building(s) and/or structure(s) or other improvement of real property known and identified as 365 Annum Street located in Springfield, Hampden County, Massachusetts and owned by Owner, upon receipt of _____ Dollars

(\$_____) in payment of an invoice/requisition/application for payment dated _____ and does hereby:

- (a) Waive, release, discharge and relinquish any and all liens and claims of rights of lien on such real property for labor or materials, or both labor and materials, and/or rental equipment, appliances or tools, performed or furnished through the following date: _____ (the "payment period"), except for disputed claims as stated above; and
- (b) subordinate any and all liens and claims or rights of lien to secure payment for such disputed claims, and such further labor or materials, or both labor and materials, and/or rental equipment, appliances or tools, performed or furnished at any time through the twenty-fifth day after the end of the above payment period, to the extent of the amount actually advanced by the above lender/mortgagee through such twenty-fifth day.

Signed under the penalties of perjury this ____ day of _____, 200__.

HAMMER AND NAILS CONSTRUCTION CORP.:

By:

Name:

Title:

Hereunto duly authorized

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of _____, 200__, before me, the undersigned notary public, personally appeared _____, the _____ of Hammer and Nails Construction Corp., proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public

My commission expires:

**PARTIAL LIEN WAIVER – SUBCONTRACTOR OR SUPPLIER
WHO DOES NOT HAVE A DIRECT CONTRACT WITH THE OWNER**

(To be submitted with each application for payment)

Application for Payment No. _____

OWNER: Franconia Apartments LLC
 CONTRACTOR Hammer and Nails Construction Corp.
 PROJECT ADDRESS 365 Annum Street, Springfield, Massachusetts
 PROJECT Franconia Apartments

SUBCONTRACTOR AND/OR

SUPPLIER:

- 1. Original Contract Amount: \$ _____
- 2. Approved Change Orders: \$ _____
- 3. Adjusted Contract Amount (Line 1 plus Line 2): \$ _____
- 4. Work Completed to Date: \$ _____
- 5. Less Retainage: (\$ _____)
- 6. Total Payable to Date (Line 4 less Line 5): \$ _____
- 7. Less Previous Payments: (\$ _____)
- 8. Current Amount Due (Line 6 less Line 7): \$ _____
- Pending Change Orders: \$ _____
- Disputed Claims: \$ _____

In consideration of all past payments received from the Contractor and/or the Owner in connection with the Project, the undersigned acknowledges and agrees that it has been paid all sums shown above as previously paid for labor, materials and/or rental equipment, appliances or tools for the erection, alteration, repair and/or removal of the building(s) and/or structure(s) or other improvement of real property known and identified as 365 Annum Street located in Springfield, Hampden County, Massachusetts and owned by Owner, furnished by the undersigned to or in connection with the Project and the undersigned hereby releases, discharges, relinquishes and waives any and all liens, claims or rights of lien under the statutes of the Commonwealth of Massachusetts with respect to the Owner, the Project and/or against the Owner on account of any labor, materials and/or rental equipment, appliances or tools previously furnished and paid for as shown above.

The undersigned individual represents and warrants that he/she is the duly authorized representative of the Subcontractor/Supplier, empowered and authorized to execute and deliver

this document on behalf of the Subcontractor/Supplier and that this document shall be binding upon the undersigned.

Signed under the penalties of perjury as of this _____ day of _____, _____.

SUBCONTRACTOR:

By:

Name:

Title:

Hereunto duly authorized

Submitted with General Contractor's Application for Payment No. _____

**CONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT
SUBCONTRACTOR/SUPPLIER WHO DOES NOT HAVE A DIRECT CONTRACT
WITH THE OWNER**

(To be submitted with Contractor's Final Application for Payment)

OWNER: Franconia Apartments LLC
 CONTRACTOR Hammer and Nails Construction Corp.
 PROJECT ADDRESS 365 Annum Street, Springfield, Massachusetts
 PROJECT Franconia Apartments

SUBCONTRACTOR AND/OR SUPPLIER

1. Original Contract Amount: \$ _____
 2. Approved Change Orders: \$ _____
 3. Adjusted Contract Amount (Line 1 plus Line 2): \$ _____
 4. Work Completed to Date: \$ _____
 5. Less Retainage: (\$ _____)
 6. Total Payable to Date (Line 4 less Line 5): \$ _____
 7. Less Previous Payments: (\$ _____)
 8. Current Amount Due (Line 6 less Line 7): \$ _____
 Pending Change Orders: \$ _____
 Disputed Claims: \$ _____

Disputed Claims: \$ _____ In consideration of all past payments received from the Contractor and/or the Owner in connection with the Project, the undersigned acknowledges and agrees that, except for the Final Payment Amount (as set forth above), it has received full payment of all amounts due, including all amounts due under its Subcontract, for labor, materials and/or rental equipment, appliances or tools for the erection, alteration, repair and/or removal of the building(s) and/or structure(s) or other improvement of real property known and identified as 365 Annum Street located in Springfield, Hampden County, Massachusetts and owned by Owner, furnished by the undersigned to or in connection with the Project. The undersigned further acknowledges and agrees that upon receipt of a check in the Final Payment Amount and payment of such check by the bank upon which it is drawn, the undersigned will release, discharge, relinquish and waive any and all liens, claims and rights of lien under the statutes of the Commonwealth of Massachusetts with respect to the Owner, the Project and/or against the Owner on account of any labor, materials and/or rental equipment, appliances or tools furnished in connection with the Project.

The undersigned individual represents and warrants that he/she is the duly authorized representative of the undersigned, empowered and authorized to execute and deliver this document on behalf of the undersigned and that this document shall be binding upon the undersigned.

Signed under the penalties of perjury as of this _____ day of _____, _____.

SUBCONTRACTOR:

BY:

Name:

Title:

Hereunto duly authorized

EXHIBIT K: DEFINITIONS OF PROGRAMS, STATUTES, REGULATIONS AND GUIDELINES

Following are definitions of the programs, statutes, regulations and guidelines referred to in this Loan Agreement:

"AHT Guidelines" shall mean the guidelines issued by DHCD regarding the AHT Program, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"AHT Program" shall mean the Affordable Housing Trust Fund loan program established under the AHT Statute under which AHT makes loans available to sponsors of certain types of affordable housing.

"AHT Statute" shall mean the Massachusetts Affordable Trust Fund Statute, M.G.L. c.121D, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CBH Community-Based Housing" shall mean housing reserved for PCEs that is: (a) integrated housing (a non-institutional Residential Housing Development (as defined in the CBH Regulations), or housing units therein, either on a single site or multiple sites, in which no more than one-third of the housing units are reserved for PCEs and which complies with any additional requirements specified in the CBH Guidelines as approved by DHCD); or (b) any other non-institutional Residential Housing Development, or one or more housing units therein, that is reserved for PCEs, as approved by DHCD.

"CBH Guidelines" shall mean the guidelines issued by DHCD regarding the CBH Program, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CBH Regulations" shall mean the regulations relating to the CBH Program promulgated by DHCD at 760 Code of Massachusetts Regulations, Section 60.00 et. seq., as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CBH Program" shall mean the Community-Based Housing Fund Program, established for the purpose of facilitating the creation of community-based housing, under which DHCD contracts to make funds available through CEDAC and other financial intermediaries, for such financial intermediaries to loan to sponsors of community-based housing for PCEs who are not eligible for housing developed pursuant to the FCF Program, subject to and in accordance with the provisions of the CBH Statute.

"CBH Statute" shall mean Chapter 290 of the Acts of 2004 (budget line item 4000-8201), as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HIF Guidelines" shall mean the guidelines issued by DHCD regarding the HIF Program, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HIF Program" shall mean the fourth phase of the Housing Innovations Fund loan program, established under the HIF Statute for the purpose of facilitating the creation and retention of alternative forms of housing, under which DHCD contracts to make funds available through CEDAC and other financial intermediaries, for such financial intermediaries to loan to sponsors of

Alternative Forms of Housing for Low Income Families, subject to and in accordance with the provisions of the HIF Statute.

"HIF Regulations" shall mean the regulations relating to the HIF Program promulgated by DHCD at 760 Code of Massachusetts Regulations, Section 23.00 et seq., as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HIF Statute" shall mean Section 5 of Chapter 244 of the Acts of 2002 (budget line item 7004-7013), as continued by Chapter 290 of the Acts of 2004 (budget line item 7004-7013), as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HOME Guidelines" shall mean the guidelines issued by DHCD regarding the HOME Program, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HOME Program" shall mean the federal HOME Investment Partnerships Program under which DHCD and the City make loans available to sponsors of certain types of affordable housing.

"HOME Regulations" shall mean 24 CFR Part 92.

"PCE or Person Certified Eligible" shall mean a Moderate Income Family with disabilities who is institutionalized or at risk of being institutionalized, but who is not eligible for housing developed pursuant to the so-called FCF program, authorized by Chapter 290 of the Acts of 2004 (budget line item 4000-8201) as amended from time to time, and who has been certified as an eligible PCE by the Massachusetts Rehabilitation Commission or any other agency of EOHHS in accordance with the procedure described in the CBH Guidelines.

EXHIBIT L: SECTION 3 ADDENDUM

The Recipient shall require all contractors and/or subcontractors on Section 3 Covered Projects to agree in writing to the following provisions:

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by the United States Department of Housing and Urban Development ("HUD") assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations located at 24 CFR part 135, which implement Section 3. As evidence by the execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitment under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, the name and location of the person(s) taking applications for each of the positions and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (i) after the contractor is selected, but before the contract is executed and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default and debarment or suspension from future HUD-assisted contracts.