



LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND CONDITIONAL ASSIGNMENT OF LEASES AND RENTS

Property Address:

365 Annum Street
Springfield, Massachusetts

This Leasehold Mortgage, Security Agreement and Conditional Assignment of Leases and Rents ("Mortgage") is made as of the 15th day of October, 2009, by Franconia Apartments LLC, a Massachusetts limited liability company with a mailing address at c/o Springfield Housing Action Corporation, 31 East Street, Springfield, Massachusetts 02100 (the "Borrower"), in favor of The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, with a mailing address at 100 Cambridge Street, Suite 300, Boston, Massachusetts 02114, as agent on behalf of itself and the other Participating Lenders.

SECTION 1. DEFINITIONS

Affordable Housing Restriction: The Affordable Housing Restriction granted by Borrower in favor of the Participating Lenders setting forth certain restrictions on use of the Property.

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

Ground Lease: The Lease entered into by and between Ajax Real Estate Holdings LLC, as landlord, and the Borrower as tenant, dated as of August 22, 2009, with respect to the Property, notice of which is recorded with the Hampden Registry of Deeds in Book 44300, Page 290.

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Loan: Collectively, the loans to the Borrower from the Participating Lenders pursuant to the Loan Agreement, evidenced and secured by the Note and other Loan Documents.

Loan Agreement: The agreement by and between the Agent and Borrower setting forth the terms and conditions of the Loan.

Loan Documents: The Note, the Loan Agreement, this Mortgage, the Affordable Housing Restriction and all other documents executed in connection with the Loan, as the same may be amended, modified, extended, renewed or restated.

Note: Collectively, the five promissory notes of the Borrower in the following amounts, payable to the order of the designated Participating Lender under the following Programs (as defined in Exhibit L of the Loan Agreement), as the same may be amended, modified, extended, renewed or restated:

\$750,000.00	payable to The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the HOME Program
\$690,000.00	payable to Community Economic Development Assistance Corporation under the CBH Program
\$750,000.00	payable to Community Economic Development Assistance Corporation under the HIF Program
\$1,000,000.00	payable to 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 under the AHT Program
\$920,000.00	payable to The City of Springfield acting by and through its Office of Housing and Neighborhood Development

Other Lenders: The lenders set forth in Exhibit B hereto holding mortgages on the Property junior or senior to or pari passu with this Mortgage.

Participating Lenders: The following lenders, all of whose loans are secured hereunder: 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.

Permitted Encumbrances: The mortgages, assignments of leases and rents and other recorded loan documents of the Other Lenders and all other liens and encumbrances set forth on Exhibit C.

Project: The Project as defined in Section 3 of the Loan Agreement.

Property: The mortgaged property as defined in Section 2 hereof.

Senior Lender: An Other Lender who holds a mortgage senior to this Mortgage.

SECTION 2. GRANTING CLAUSE

The Borrower hereby irrevocably grants, mortgages, transfers and assigns to the Agent, with MORTGAGE COVENANTS, all the following property:

The Borrower's leasehold interest (as described in the Ground Lease) in the parcel or parcels of land together with any improvements now or hereafter situated thereon, all as described in Exhibit A attached hereto and incorporated herein; together with all buildings and structures and fixtures owned by the Borrower erected or placed on such parcel or parcels or now or hereafter attached to or used in connection therewith, including without limitation to the extent such constitute fixtures, all pipes, lines, conduits and other facilities for public or private utilities or services, all elevators, screens, doors, awnings, blinds, shades, gas and electric fixtures, all heating, lighting, refrigerating, plumbing, ventilating, air conditioning and sprinkling equipment and all other items of whatsoever kind and nature reasonably necessary to the continued use and operation of the Property; together with all personal property owned by the Borrower and located on the Property; together with the entire interest of the Borrower in and to all and singular the tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances to the Property, belonging or in any way appertaining thereto, and all right, title and interest of the Borrower in and to any streets, ways or alleys adjoining the Property or any part thereof; together with all proceeds paid for any damage to the Property or any part thereof, or for any portion thereof appropriated for any character of public or quasi-public use in accordance with the provisions, terms and conditions hereinafter set forth; together with all of the rents, issues, benefits and profits of the Property as provided herein and all of the records and books of account now or hereafter maintained by the Borrower in connection with the operation thereof.

SUBJECT, HOWEVER, to the Permitted Encumbrances.

This conveyance is made for the purpose of securing:

- (1) Performance of all obligations of the Borrower under the terms of the Note, including payment of all amounts due pursuant thereto.
- (2) Performance of each and every obligation of the Borrower contained in this Mortgage and payment of all sums due hereunder.
- (3) Performance of the obligations of the Borrower under all other Loan Documents.

SECTION 3. COVENANTS AND WARRANTIES

The Borrower covenants, warrants and agrees as follows:

3.1 The Borrower has and will maintain good record and marketable leasehold title to the Property, free and clear of all liens and encumbrances except for the Permitted Encumbrances, and has the right to encumber the Property with the lien created by this instrument, which lien is subject only to the Permitted Encumbrances. The Borrower will defend the title hereto in any action affecting the rights of the Agent hereunder and pay all costs of any such action (including, but not limited to, attorneys'

fees), whether or not such action (i) progresses to judgment, or (ii) is brought by or against the Agent. If at any time the Borrower acquires the fee title to the Property, or any part thereof, the lien of this Mortgage shall attach to, cover and be a lien upon such fee title with the same force and effect as if specifically granted herein, without any requirement of further instrument or amendment hereto.

3.2 The Borrower and each endorser or guarantor of the Note shall perform and observe all of the terms and conditions of the Loan Documents, the Ground Lease and the loan documents of the Other Lenders, including the obligation to make any payments as required therein.

3.3 The Borrower shall pay or cause to be paid prior to the time when interest or penalties would accrue thereon all taxes, water, sewer and other utility charges, and all other charges or assessments relating to the Property or the materials stored thereon or therein and other charges and encumbrances which are or may become a lien on the Property.

3.4 The Borrower shall keep the Property in good order, repair and condition, reasonable wear and tear thereof excepted, and will not permit, commit or suffer any waste, impairment, deterioration or environmental contamination of the Property or any part thereof.

3.5 The Borrower shall promptly repair, restore, rebuild, replace or alter as necessary any portion of the Property which may be damaged or destroyed by fire or other casualty, or taken by condemnation, as nearly as possible to the condition such improvements were in prior to such damage, destruction or taking, subject to the provisions of Sections 5 and 6 of this Mortgage. The Borrower shall give the Agent notice of any damage to the Property within five (5) business days of any such occurrence.

3.6 The Borrower shall comply with and observe its obligations as tenant under the Ground Lease and as landlord under leases affecting the Property or any part thereof. The Borrower hereby assigns to the Agent as additional security, conditional upon default and subject to the Borrower's prior assignment to the Senior Lender, if any, any and all leases for housing units at the Property, whether now existing or hereafter created, including, without limitation, all rents, royalties, issues and profits of the Property from time to time accruing; and does agree that after an Event of Default and while such Event of Default continues, the Agent may, subject to the rights of the Senior Lender, if any, and the landlord under the Ground Lease, modify and otherwise deal with all such leases or subleases with the same power and discretion which the Agent would have if the Agent were the owner of the Property free from any trust; and, after an Event of Default, the Agent shall also have the power, subject to the rights of the Senior Lender, if any, and the landlord under the Ground Lease, to make, execute and deliver new leases of all and any portion of the Property in the name of the Borrower, or in the name of any person or persons claiming under the Borrower on such terms and conditions as the Agent may in its reasonable judgment deem proper.

3.7 The Borrower shall cause the Property to be used only for the Permitted Uses, as defined in the Affordable Housing Restriction.

3.8 The Borrower hereby assigns to the Agent, subject to the rights of the Senior Lender, if any, all of the Borrower's right, title and interest in all contracts, licenses, permits, financing commitments, guarantees, warranties, plans and other agreements or undertakings acquired by the Borrower (the "Project Documents") in connection with the development and operation of the Project. The Borrower hereby agrees to perform in a timely manner all its obligations under the Project Documents and to permit no default on its part to exist thereunder. So long as no Event of Default shall

exist, the Borrower shall have the rights as the holder thereof in and with respect to the Project Documents as may be lawfully permitted. Immediately upon the occurrence of any Event of Default, the rights described in the preceding sentence shall cease, and in such event the Agent is hereby expressly and irrevocably authorized, but not required, to exercise every right, option, power or authority inuring to the Borrower under any one or more of the Project Documents as fully as the Borrower could itself. Further, and without limitation of the foregoing remedies, upon the occurrence of any such Event of Default, the Agent shall have the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in Massachusetts, with respect to each and every Project Document in which a security interest may be obtained.

3.9 With respect to any and all commercial leases of any portion of the Property, the Borrower shall, within thirty (30) days of the written request of the Agent made from time to time, deliver to the Agent a lease estoppel, in form and substance satisfactory to the Agent and executed by the tenant, setting forth the commencement and occupancy dates of such lease, and providing such information with respect thereto as the Agent may require, including, without limitation, confirmation that the lease is in full force and effect without modification, that the tenant is in possession and paying full rent, that no rental payments have been made in advance, and that there is no default, and no condition which, with the giving of notice and/or the passage of time could ripen into a default, by the Borrower or the tenant thereunder (or specifying such modifications of the foregoing as may be appropriate).

3.10 The Borrower shall, within thirty (30) days of the written request of the Agent made from time to time, execute and deliver a written statement, in the form required by the Agent, setting forth the amount of the indebtedness that Borrower acknowledges to be due on the Note and under this Mortgage and the other Loan Documents, specifying any claims of offset or defense which the Borrower asserts against the indebtedness or other obligations secured hereby, and a description of relevant facts regarding the condition of the Property and such other matters as may be requested by the Agent.

3.11 The Borrower shall give all notices and take all other actions necessary or appropriate in order that this Mortgage shall be, and shall continue to be for so long as this Mortgage is outstanding, a permitted leasehold mortgage under the Ground Lease, and in order to assure that the holder of this Mortgage shall receive all notices from the landlord under the Ground Lease and shall have all other rights of a permitted leasehold mortgagee. The Borrower shall (i) promptly and faithfully observe, perform and comply with all the terms, covenants and provisions of the Ground Lease, at the times set forth therein; (ii) not do, permit, suffer or refrain from doing anything, as a result of which, there could be a default under or breach of any of the terms thereof; (iii) not cancel, surrender, modify, amend or in any way alter or permit the alteration of any of the terms thereof, without the prior written consent of the Agent in each instance; and (iv) give the Agent immediate notice of any default by the landlord under the Ground Lease and promptly deliver to the Agent copies of each notice of default by either party to the Ground Lease and all other formal notices with respect to the Ground Lease.

3.12 Simultaneously with the execution hereof and from time to time hereafter at the request of the Agent, the Borrower shall furnish to the Agent a certificate executed by the Borrower and by the landlord under the Ground Lease as to whether (i) the Ground Lease is in full force and effect, and any amendments thereto, (ii) all rents, additional rent and other amounts then due and payable under the Ground Lease have been paid, (iii) to the best of their knowledge, there are no defaults, defenses or offsets under the Ground Lease, and there are no circumstances or conditions which with the giving of

notice or the passage of time or both would constitute a default under the Ground Lease, and (iv) such other facts as the Agent reasonably may request.

SECTION 4. INSURANCE

4.1 The Borrower will at all times (a) keep the Property insured, for the mutual benefit of the Borrower and the Agent, as their respective interests may appear, in amounts not less than 100% of the full replacement cost of the Property (plus 12 months' rent loss coverage), against loss or damage by (i) fire, (ii) such other risks and hazards as now are or hereafter may be insured under standard "Extended Coverage" forms or endorsements, and (iii) such other risks of damage as the Agent shall from time to time reasonably require; (b) maintain comprehensive general liability insurance against all claims for bodily injury, death or property damage occurring upon, in or about the Property, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or such higher limits as the Agent may reasonably require and which specifically names the Borrower and the Agent; (c) maintain or cause the Borrower's property manager to maintain worker's compensation coverage for all employees in statutorily mandated amounts and, if applicable, comprehensive automobile liability insurance, including hired vehicles, in an amount not less than \$1,000,000 combined single limit; and (d) with respect to any construction undertaken at the Property, obtain builder's risk insurance (100% completed value non-reporting form) in amounts reasonably satisfactory to the Agent, but never at any time less than full replacement value of the construction.

4.2 All insurance shall be evidenced by valid and enforceable policies in form and substance, and issued by such insurers, as are reasonably approved by the Agent. All policies of casualty insurance shall contain a standard non-contributory form of mortgage clause reasonably satisfactory to the Agent, which clause shall name the Agent as loss payee as its interest may appear and provide that such policies may not be canceled or amended without at least thirty (30) days' prior written notice to the Agent. Upon the occurrence of an Event of Default, the Agent may act either in its name or as attorney for the Borrower (for that purpose by these presents duly authorized and appointed with full power of substitution and revocation) in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts in payment of any loss.

SECTION 5. DAMAGE BY FIRE OR OTHER CASUALTY

If by reason of any damage or destruction to the Property, any sums are paid under any insurance policy mentioned in or contemplated by Section 4 hereof, such proceeds shall, subject to the rights of the Senior Lender, if any, and of the landlord under the Ground Lease, be paid to the Agent alone, as its interest may appear, to be applied toward reimbursement of all costs and expenses of the Agent in collecting such proceeds, and, at the option of the Agent, either toward payment of the indebtedness secured hereby or any portion thereof, whether or not due and payable, or to the repair, restoration, rebuilding or replacement of that part of the Property so damaged or destroyed; provided, however, the Agent shall consent to such application if all of the

following conditions are met: (i) sufficient insurance proceeds are available or the Borrower deposits with the Agent and/or with an Other Lender sufficient funds to pay the entire cost of repair, restoration, rebuilding or replacement; (ii) the Agent approves in advance plans and schedule for such repair, restoration, rebuilding or replacement, such approval not to be unreasonably withheld; (iii) all Other Lenders have approved the plans for such repair, restoration, rebuilding or replacement; and (iv) the insurance proceeds, together with the Borrower's additional funds, if any, are held by the Agent or an Other Lender and disbursed pursuant to customary construction disbursement procedures as work is completed.

SECTION 6. CONDEMNATION

The Borrower hereby assigns, transfers and sets over to the Agent, subject to prior assignment to the Senior Lender, if any, and to the rights of the landlord under the Ground Lease, all rights of the Borrower to any award or payment in respect of (i) any taking of all or a portion of the Property as a result of, or by agreement in anticipation of, the exercise of the right of condemnation or eminent domain and (ii) any damage to the Property due to governmental action, but not resulting in a taking of any portion of the Property. The Borrower hereby agrees to file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to the Agent, and hereby irrevocably authorizes and empowers the Agent, if the Borrower does not so prosecute its claim, in the name of the Borrower or otherwise, to collect and receive any such award or payment and to file and prosecute such claims. All proceeds received by the Agent with respect to such taking or damage shall be applied in the Agent's discretion and in such order as the Agent shall determine; provided, however, if the Senior Lender, if any, determines to apply available proceeds to reconstruction of the Property, the Agent shall consent to such application.

SECTION 7. DEFAULT PROVISIONS

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

7.1 Failure of the Borrower to pay any amount due under the Note when due thereunder or failure of the Borrower to pay real estate taxes, utility charges or insurance premiums as required by Section 3.3 and Section 4 hereof and the continuation of such failure for ten (10) days after the date such payment is due.

7.2 Failure of the Borrower to perform any of its obligations, covenants, or agreements contained in this Mortgage (other than as described in Section 7.1) and the continuance of such failure for thirty (30) days after written notice thereof from the Agent to the Borrower; provided, however, that if the curing of such default cannot be accomplished with due diligence within the initial period of thirty (30) days, then Borrower shall have such additional reasonable period of time, not to exceed thirty (30) days, to cure such default as may be necessary provided the Borrower shall have commenced to cure such default within said thirty (30) day period, such cure shall have been diligently prosecuted by the

Borrower thereafter to completion, and the Agent does not reasonably deem this Mortgage jeopardized by such further delay.

7.3 The occurrence of an Event of Default as defined in any other Loan Document or under the Ground Lease.

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 Mortgage. 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 Lender as if made by the Borrower.

SECTION 8. RIGHTS AND REMEDIES OF THE MORTGAGEE

8.1 Upon the occurrence of any Event of Default hereunder, the Agent, at its option, without presentment, demand, protest or notice of any kind, may declare the indebtedness evidenced by the Note and secured by this Mortgage immediately due and payable.

8.2 Upon the occurrence of any Event of Default hereunder, the Agent, at its option but without obligation to do so, without notice to or demand on the Borrower and without releasing the Borrower from any liability under the Loan Documents, may make any payment or perform any act which the Borrower is obligated to pay or do under the terms of this Mortgage past due, including the payment of any amount and performance of any defaulted obligation of the Borrower under the loan documents of the Senior Lender, if any.

All amounts expended hereunder shall, without notice or demand, be immediately due and payable to the Agent by the Borrower with interest thereon, to the extent permitted by law, at the rate of eighteen percent (18%) per annum, and shall be secured hereby.

8.3 Upon the occurrence of any Event of Default hereunder, the Agent at its option, without notice, without any liability to the Agent, and without regard to the adequacy of the security for the Loan, may, to the extent permitted by law:

8.3.1 Enter upon and take possession of the Property (with or without bringing any action or proceeding in court); or

8.3.2 Demand or receive payment of all rents, benefits and profits of the Property, including those past due and unpaid (whether or not the Agent has taken possession of the Property); or

8.3.3 Have a receiver immediately appointed for the Property and the earnings, revenues, rents, issues, profits and other income thereof and therefrom, with all such powers as the court making such appointment shall confer.

8.4 If the Agent enters upon and takes possession of the Property as provided in Section 8.3, the Agent may operate and manage the Property and perform any acts which the Agent, in its reasonable discretion, deems necessary or desirable to protect and preserve the rentability, increase the income, or conserve the value of the Property. The Agent shall have no liability for any action or inaction while in

possession of the Property so long as such action or inaction is taken or refrained from being taken in good faith and in the absence of gross negligence.

8.5 Upon the occurrence of any Event of Default hereunder:

8.5.1 The Agent may, if and to the extent and in the manner permitted by law, itself, or by such agents and attorneys as it may appoint, with or without entry or taking possession, sell the Property as an entirety or in such separate lots, units or parcels as the Agent may determine, at public or private sale and, except as otherwise provided by law, at such place or places (whether or not the Borrower be present), at such time or times, upon such terms (including credit, whether secured or unsecured) and upon such notice (by publication or otherwise), if any, as the Agent in its discretion may determine.

8.5.2 The Agent is irrevocably appointed the agent and attorney-in-fact of the Borrower in its name and stead and on its behalf, for the purpose of effectuating any sale for the enforcement of this Mortgage, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, to execute and deliver all such deeds, conveyances, bills of sale, assignments, transfers and other instruments as the Agent may consider necessary or appropriate, and to substitute one or more persons with like power, the Borrower hereby ratifying and confirming all that the Agent, or such substitute or substitutes, shall lawfully do by virtue thereof.

8.5.3 This Mortgage is upon the STATUTORY CONDITION and upon the occurrence of any Event of Default hereunder the Agent shall have the STATUTORY POWER OF SALE.

8.6 No remedy herein conferred upon the Agent shall be exclusive of any other remedy herein or by law provided or permitted, but such shall be cumulative and in addition to every other remedy given herein or now or hereafter existing at law.

SECTION 9. MISCELLANEOUS PROVISIONS

9.1 Without affecting the liability of the Borrower or any other person (except any person expressly released in writing) for the performance of any obligations set forth in the Loan Documents and without affecting the lien or other rights of the Agent with respect to any property or other security not expressly released in writing, the Agent at any time, and from time to time, either before or after maturity of the Note, and without notice or consent, may:

9.1.1 Make any agreement extending the time, or otherwise altering the terms of payment of the amounts due under the Note, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien securing payment of the Note;

9.1.2 Exercise or refrain from exercising, or waive any right the Agent may have;

9.1.3 Accept additional security of any kind;

9.1.4 Release or otherwise deal with any property, real or personal, securing the Loan, including all or any part of the Property.

9.2 In the event the Borrower conveys its interest in the Property to parties not appearing in this instrument (without implying any right of the Borrower to do so without the Agent's consent), the Agent may, without notice to the Borrower, deal with such successor or successors in interest with reference to this Mortgage and the Note secured hereby, either by way of forbearance on the part of the

Borrower or extension of the time of payment of the debt or any sum hereby secured, without in any way modifying or affecting the conveyance under this Mortgage or the original liability of the Borrower or any other party on the Note secured hereby, either in whole or in part.

9.3 In case any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included.

9.4 All notices, requests, demands, consents or other communications given hereunder or in connection herewith shall be in writing and shall be deemed duly given if delivered by hand or by recognized overnight courier or if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed to the party to receive such notice at its address first set forth above. Either party may, by notice given as aforesaid, change its address for all subsequent notices. Notices shall be deemed given upon receipt if hand delivered or, if mailed as aforesaid, three days after mailing 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.

9.5 In accordance with Section 9-509 of the Uniform Commercial Code as in effect in The Commonwealth of Massachusetts (the "U.C.C."), the Borrower hereby authorizes the Agent to file any financing statements or amendments to such financing statements that may be required pursuant to the U.C.C. for the Agent to perfect its security interest in any of the Property. This Mortgage is to be recorded or filed with the registry of deeds or the registry district of the Land Court for the county in which the Property is located as a fixture filing pursuant to Section 9-502 of the U.C.C. and is intended to be a construction mortgage pursuant to Section 9-313 of the U.C.C.

9.6 This instrument shall inure to the benefit of and bind the successors and assigns of the parties hereto. This Mortgage may not be waived, changed or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change or discharge is sought.

9.7 It is understood and agreed that the validity, construction and interpretation of this Mortgage will be in accordance with the laws of The Commonwealth of Massachusetts.

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

9.9 This Mortgage and the other Loan Documents collectively constitute the entire and final agreement among the parties hereto and there are no other agreements, understandings, warranties or representations among the parties with respect to the subject matter hereof except as expressly set forth herein or therein.

[SIGNATURES APPEAR ON FOLLOWING PAGE]



LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND CONDITIONAL ASSIGNMENT OF LEASES AND RENTS

Witness our hands and seals as of the date first written above.

FRANCONIA APARTMENTS LLC

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

By: _____

Elsie Borden

Its: President

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this 15th day of October, 2009, before me, the undersigned notary public, personally appeared Elsie Borden, the President of Franconia Apartments MM, Inc., 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:

Exhibit A: Property Description

Exhibit B: Other Lenders

Exhibit C: Permitted Encumbrances

EXHIBIT A: PROPERTY DESCRIPTION

EXHIBIT B: OTHER LENDERS

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 C: PERMITTED ENCUMBRANCES

1. Mortgages securing the loans of the Other Lenders.
2. Exceptions listed in specimen title insurance policy no. _____ issued by Stewart Guaranty Title Insurance Company Title Insurance Company dated _____.
3. The Ground Lease.