

**Section IVA, Exhibit 5 –
Affordable and Restrictive Covenants**



After recording, please return to: CHFA, 999 West St.,

EXTENDED LOW-INCOME HOUSING COMMITMENT

This EXTENDED LOW-INCOME HOUSING COMMITMENT (the "Agreement") is made this 29th day of May, 2020, by and between **RMS 49 PRINCE STREET LLC**, a limited liability company with an office and principal place of business at 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 (the "Owner") and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, with an office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Authority").

W I T N E S S E T H :

WHEREAS, the Authority is designated as the allocating housing credit agency responsible for the administration and allocation of low-income housing tax credits for the State of Connecticut;

WHEREAS, the Owner is the owner of certain real property known as 49 Prince Street, and located at 49 Prince Street, New Haven, Connecticut (the "Property"), which Property is more particularly described on Exhibit A, attached hereto and made a part hereof;

WHEREAS, the Property has qualified for low-income housing tax credits in the annual amount of \$267,338 for buildings financed by tax-exempt bonds pursuant to Section 42(h)(4) of the Internal Revenue Code of 1986, as amended (collectively, the "Code");

WHEREAS, Section 42(h)(6)(A) of the Code mandates that no low-income housing tax credit shall be allowed with respect to any building for the taxable year unless an extended low-income housing commitment is in effect as of the end of such taxable year.

NOW, THEREFORE, in consideration of the foregoing and for the good and valuable consideration acknowledged hereby, the Authority and the Owner hereby covenant and agree as follows:

I. DEFINITIONS.

As used in this Agreement, the terms below shall have the definitions set forth for each one, as follows:

- (a) "Compliance Period" means, with respect to any building, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the Credit Period with respect thereto.
- (b) "Credit Period" means, with respect to any building, the period of ten (10) taxable years beginning with:
 - (i) the taxable year in which the building is placed in service, or

(ii) at the irrevocable election of the taxpayer, the succeeding year,

but only if the building is a "qualified low-income building" (as such term is defined in the Code) as of the close of the first (1st) year of such period.

(c) "Development" means all real and personal property, and all assets of whatever nature or wherever situate, used in (or owned by) the business conducted on the Property, which business is to provide rental accommodations for persons of low and moderate income and other activities incidental thereto, and which shall also include, without limitation, a building or structure, or several proximate and interrelated buildings or structures and facilities functionally related and subordinated thereto, financed under a common plan, all located on a single tract of land [except as provided for in Section 42(g)(7) of the Code (relating to scattered site projects) and Section 42(h)(6)(K) of the Code (relating to projects which consist of more than one (1) building)], which buildings shall be owned by the same person for tax purposes and shall each contain one (1) or more similarly constructed units, having separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, and facilities which are functionally related and subordinate to such units, and all of such units shall be rented or available for rental on a non-transient basis to members of the general public, *provided, however, special provisions shall apply for eligible single room occupancy housing and transitional housing for the homeless*;

(d) "Extended Use Period" means the period of time:

(i) beginning on the first (1st) day in the Compliance Period on which such building is part of a qualified low-income housing project; and

(ii) ending on the later of:

(A) the date specified in Section II(d) of this Agreement, or

(B) the date which is fifteen (15) years after the close of the Compliance Period.

(e) "HUD" means the United States Department of Housing and Urban Development, or its successor;

(f) "Qualified Person(s)" means individuals and families who, at the time each such individual or family first occupies a Unit in the Development, are of low income, having annual income not exceeding sixty percent (60%) of area median gross income, adjusted for family size, within the meaning of the Code and the Treasury Regulations promulgated thereunder; *provided, however*, in case of individuals and families occupying at least: (i) six (6) Zero Bedroom Units, individuals and families having an annual income not exceeding fifty percent (50%) of area median gross income at such time, and (ii) two (2) additional Zero Bedroom Units, individuals and families having an

annual income not exceeding twenty-five percent (25%) of area median gross income at such time.

- (g) "Qualified Rent" means gross rent (as defined in Section 42(g)(2)(B) of the Code) not greater than thirty percent (30%) of the imputed income limitation applicable to a particular Unit, within the meaning of Section 42(g)(2)(C) of the Code, as adjusted annually;
- (h) "Qualified Unit" means those Units occupied by Qualified Persons at a Qualified Rent; and
- (i) "Unit" means an individual dwelling referenced in Section I(c) of this Agreement.

II. THE COMMITMENT.

(a) Failure to comply with the provisions of this Agreement is an event of default hereunder and the Authority or its successors and/or assigns may exercise any of the remedies available hereunder. Furthermore, the Authority may seek specific performance of this Agreement by the Owner, or any successor in interest thereto, without declaring an event of default and without waiving any remedies hereunder, by filing an action in any court of competent jurisdiction in the State of Connecticut.

(b) For each taxable year in the Extended Use Period, the applicable fraction (as defined in Section 42(c)(1)(B) of the Code as the smaller of the "unit fraction" [low income Units/residential rental Units] or the "floor space fraction" [total floor space of low-income Units/total floor space of residential rental Units]), shall not be less than:

30/30 (unit fraction)

(c) Individuals who meet the income limitation applicable to the Development under Section 42(g)(1) of the Code (whether prospective, present, or former occupants who qualify, qualified, or would qualify) hereby have the right to enforce, in any State court, the requirements set forth in Sections II(a) and II(b) of this Agreement, and the prohibitions set forth in Section II(e)(iii), II(e)(iv), and II(f) of this Agreement, and said individuals may apply to any court of competent jurisdiction in the State of Connecticut for specific performance of the provisions of this Agreement, notwithstanding any action which may or may not be taken by the Authority.

(d) The Extended Use Period shall be for an additional twenty-five (25) years after the close of the Compliance Period, unless terminated earlier ("Early Termination") on: (i) the date of the Development's foreclosure or deed-in-lieu of foreclosure (unless the Secretary of the Treasury determines that such foreclosure or deed-in-lieu of foreclosure is part of an arrangement with a purpose of terminating the Extended Use Period); or (ii) the last day of the one (1) year period beginning on the date which a request is made by the Owner (which request is made not earlier than the end of the fourteenth (14th) year of the Compliance Period) for the Authority to present a "qualified contract" (as defined in Section 42(h)(6)(F) of the Code and Section 1.42-18 of the Treasury Regulations) for the acquisition of the low-income portion of the Development, as defined in Section 42(h)(6)(H) of the Code,

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all in accordance with Section 42(h)(6) of the Code, provided that the Authority has not presented such a contract. ***Notwithstanding the foregoing, in the event the Extended Use Period as agreed upon herein is longer than the date which is fifteen (15) years after the close of the Compliance Period, the Owner hereby acknowledges and agrees that such additional period constitutes a more stringent requirement as provided by Section 42(h)(6)(E) of the Code and that Section II(d)(ii) of this Agreement therefore shall not apply and shall have no force or effect.***

(e) During the Extended Use Period:

- (i) not less than thirty (30) Units (one hundred percent (100%) of the Units) in the Development shall be occupied (or will be available for occupancy) by Qualified Persons *(Note: at the discretion of the Secretary of the Treasury, the maximum income levels may deviate from the area median income data to reflect current HUD policy or future Treasury policy on income limits with respect to areas with unusually low family income or high housing costs relative to family income consistent with HUD determinations under Section 8 of the United States Housing Act of 1937);*
- (ii) the rents for each Qualified Unit shall not exceed the Qualified Rent, which will be uniform for each particular housing unit size (i.e., efficiencies, one-bedroom units, two-bedroom units), regardless of the number of persons residing in the household and in accordance with Section 42(g) of the Code;
- (iii) no tenant who was occupying a Qualified Unit at any time during (or at the end of) the Extended Use Period may be removed whether by eviction, expiration of lease or for any termination of the tenancy (other than for good cause);
- (iv) no rent may be increased for any Qualified Unit beyond the Qualified Rent:
 - (A) at any time during the Extended Use Period; or
 - (B) as long as it is occupied by the tenant who was occupying the unit at the expiration of the Extended Use Period.

(f) The tenant protections set forth in Section 42(h)(6)(E)(ii) of the Code shall survive for a period of three (3) years following an Early Termination and for such three (3) year period such tenant protections shall be binding upon the Property and upon any holder of a mortgage on the Property or any successor or assign of such holder who succeeds to all or any part of the Owner's interest in, or otherwise acquires title to, the Property. Such protection provides, without limitation, that for a period of three (3) years following an Early Termination of the Extended Use Period: (i) no tenant who was occupying a Qualified Unit at the end of the Extended Use Period may be removed whether by eviction, expiration of lease or any termination of the tenancy (other than for good cause); and (ii) no rent may be increased for any Qualified Unit beyond the Qualified Rent as long as it is occupied by the tenant who was occupying the unit at the Early Termination of the Extended Use Period.

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III. REPRESENTATIONS, WARRANTIES & COVENANTS.

(a) The Owner hereby represents, covenants, warrants and agrees, as follows:

(i) the Development is to be developed, owned, managed and operated for the Extended Use Period as "residential rental property" (as such phrase is used in Section 42(d) of the Code), on a continuous basis during the Extended Use Period and that the Development constitutes, or will constitute, a qualified low-income building or qualified project, as applicable (as defined in Section 42 of the Code);

(ii) Owner is a legally organized entity, qualified to transact business under the laws of the State of Connecticut, has the power and authority to own its properties and assets and to carry on its business as now being conducted, and has the full legal right, power and authority to execute and deliver this Agreement;

(iii) Owner shall, at the time of execution and delivery of this Agreement, have good and marketable title to the Development, free and clear of any lien or encumbrance (subject to encumbrances approved by the Authority);

(iv) Owner shall make no change in the nature, size (including number of Units) or location of the Development from that which was described in the Owner's Application to the Authority dated June 27, 2018, without the prior written consent of the Authority;

(v) Owner shall obtain the agreement of any buyer, or successor, or other person acquiring the Property or the Development, or any interest therein, that such acquisition is subject to the requirements of this Agreement, and the Owner shall promptly notify the Authority of any such transfer. ***Notwithstanding the foregoing, this provision shall not act to waive any other restriction on such sale, transfer or exchange of the Development;***

(vi) Once available for occupancy, each Qualified Unit in the Development shall be rented or available for rental on a continuous basis to members of the general public on a non-transient basis throughout the Extended Use Period (except for transitional housing for the homeless or single-room occupancy units provided under Section 42(i)(3)(B)(iii) and (iv) of the Code);

(vii) Owner shall not discriminate on the basis of race, creed, color, sex, sexual preference, age, handicap, marital status, national origin, familial status, source of income or disability in the lease, use or occupancy of the Development, or in the employment of persons for the operation and management of the Development;

(viii) Owner has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herein;

(ix) Owner shall obtain the consent of all holders of prior recorded mortgages or liens on the Property to this Agreement and such consent shall be a condition precedent to the issuance of the Internal Revenue Service Form 8609 constituting the final allocation of the low-income housing tax credits for the Development;

(x) Owner shall record this Agreement promptly on the land records of the municipality in which the Property is located, upon recording of this Agreement, the Owner shall immediately transmit to the Authority evidence of said recording including the date and volume and page numbers, and the Owner agrees that the Authority will not issue the Internal Revenue Service Form 8609, constituting final allocation of low-income housing tax credits for the Development, until the Authority has received a certified copy of the recorded Agreement;

(xi) Owner shall comply with any monitoring plan, guidelines, procedures, or requirements as may be adopted or amended from time to time by the Authority in accordance with the requirements of the Code, or regulations promulgated thereunder by the United States Department of the Treasury, Internal Revenue Service, or otherwise in order to monitor compliance with the provisions of this Agreement;

(xii) Notwithstanding anything in this Agreement to the contrary, in the event that the Owner fails to comply fully with the covenants and agreements contained herein or within the Code, all applicable regulations, rules, rulings, policies, procedures, or other official statements promulgated by the Department of Treasury, the Internal Revenue Service or the Authority, from time to time, pertaining to the obligations of the Owner as set forth therein or herein, the Authority may, in addition to all of the remedies provided by law or in equity, report such noncompliance to the Internal Revenue Service which could result in penalties and/or re-capture of low-income housing tax credits;

(xiii) Owner hereby agrees that this Agreement prohibits: (A) the disposition to any person of any portion of the building to which this Agreement applies unless all of the building to which such Agreement applies is disposed of to such person; and (B) the refusal to lease to a holder of a voucher or certificate of eligibility under Section 8 of the U.S. Housing Act of 1937 because of the status of the prospective tenant as such a holder; and

(xiv) In the event any foreclosure proceedings are initiated affecting the Property, Owner shall provide the Authority with notice of the same immediately upon receipt of service of process of said foreclosure action.

IV. MISCELLANEOUS.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Connecticut and federal law, where applicable.

(b) The invalidity of any provisions of this Agreement shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of the provisions of this

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Agreement, which shall continue in full force and effect as if such invalid provision had never been included herein.

(c) False statements made herein are punishable under the penalty for false statement set out in Connecticut General Statutes § 53a-157b.

(d) This Agreement shall be binding on all successors and/or assigns of the Owner and this Agreement shall be recorded and encumber the Property as a restrictive covenant in accordance with the laws of the State of Connecticut.

(e) Neither this Agreement nor any term hereof may be altered, amended, modified, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

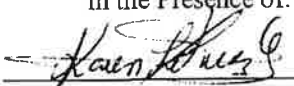
(f) Any notice or other communication in connection with this Agreement shall be in writing and (i) deposited in the United States mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service, such as FedEx, addressed to the addressees, as set forth on the first page hereof. Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above. A notice shall be deemed to have been given, delivered and received upon the earliest of: (A) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (B) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

[Remainder of Page Intentionally Left Blank – Signature Pages Follow]

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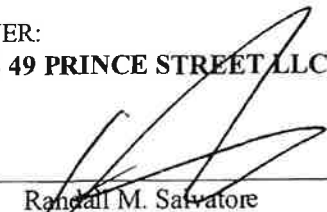
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Signed, Sealed and Delivered
in the Presence of:


Name: KAREN NUNEZ



Name: Genesis Boring

OWNER:
RMS 49 PRINCE STREET LLC

By: 
Randall M. Salvatore
Its Manager
Duly Authorized

STATE OF CONNECTICUT)
COUNTY OF Fairfield) ss. May 26th, 2020

Personally appeared, Randall M. Salvatore, Manager of RMS 49 PRINCE STREET LLC, a Connecticut limited liability company, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as Manager, and the free act and deed of RMS 49 PRINCE STREET LLC, and that said instrument was signed on behalf of and with the authority of said limited liability company, before me.


Commissioner of the Superior Court
Notary Public **KAREN L. NUNEZ**
PUBLIC OF CONNECTICUT
Commission Expires 6/30/21

Tracy L. Morse
Tracy L. Morse

E. Myskowski

Edward Myskowski

CONNECTICUT HOUSING FINANCE AUTHORITY

By: Nandini Natarajan

Name: Nandini Natarajan

Title: Chief Executive Officer - Executive Director

Duly Authorized

STATE OF CONNECTICUT)

) ss. Rocky Hill

May 31, 2020

COUNTY OF HARTFORD)

Chief Executive Officer -

Personally appeared, Nandini Natarajan, Executive Director of the Connecticut Housing Finance Authority, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.

Tracy L. Morse
Commissioner of the Superior Court
Notary Public

3/31/22

Exhibit A

[Legal Description]

A certain piece or parcel located in the City and County of New Haven and State of Connecticut containing 20,501 square feet and being shown on a map entitled "Property Survey New Project Parcel 14 49 Prince Street Downtown South-Hill North New Haven, Connecticut", by AECOM, scale 1"=20', dated August 2015, said parcel being more particularly bounded and described as follows:

Beginning at a point marking the intersection of the northwesterly street line of Prince Street and the easterly street line of Gold Street;

Thence running North 35° 39' 49" West, 111.45 feet along said easterly street line of Gold Street;

Thence running North 43° 41' 16" East, 152.15 feet along land now or formerly of Saint Anthony's Church;

Thence running North 46° 41' 41" East, 18.09 feet and South 42° 44' 24" East, 120.83 feet along land now or formerly of Yale University;

Thence running South 47° 26' 21" West, 183.67 feet along the northwesterly street line of Prince Street to the point and place of beginning.

06/04/2020 12:26:20 PM
Michael B. Smart City Clerk
City of New Haven

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49 Prince Street
LIHTC -- Extended Low-Income Housing Commitment
Form Revision Date: 6/27/18



After recording, return to: CHFA, 999 West Street, Rocky Hill, CT

DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS

This DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS (this "Agreement") is made and entered into as of the 29th day of May, 2020, by and between **RMS 49 PRINCE STREET LLC**, a limited liability company organized and existing under the laws of the State of Connecticut with an office and principal place of business at 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 (the "Declarant"), and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Mortgagee").

W I T N E S S E T H:

WHEREAS, Declarant, as owner in fee simple of the property described in Exhibit A, attached hereto and made a part hereof (the "Property"), has applied to the Mortgagee for a first priority mortgage loan in the amount of up to THREE MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$3,750,000.00) to aid Declarant in financing the construction/renovation of a multifamily rental housing development for persons of low and moderate income on the Property, pursuant to the provisions of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended (the "Act"), the Internal Revenue Code of 1986, as amended, (the "Code"), and the regulations and procedures promulgated thereunder, as amended (the "Regulations");

WHEREAS, the Property is known as 49 Prince Street, located at 49 Prince Street, New Haven, Connecticut, and is identified as CHFA Loan No. 18-013;

WHEREAS, Declarant acknowledges that the Mortgagee is providing the Loan (as defined herein) to Declarant to finance the Development (as hereafter defined) in furtherance of its corporate purposes under the Act, and the accomplishment of such purposes is dependent in part upon compliance by Declarant with the restrictive covenants set forth herein;

WHEREAS, the Mortgagee is unwilling to make the Loan unless the Declarant shall be regulated in the manner set forth herein, and the Declarant is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations;

WHEREAS, Declarant acknowledges the resulting beneficial interest of the Mortgagee in the Development and acknowledges that Declarant's ownership and operation of the Development are in furtherance of the discharge of a public trust;

WHEREAS, the Mortgagee, as a condition of its willingness to make the Loan, requires that Declarant, by entering into the restrictions, terms, conditions and covenants set forth below, consent to be regulated and restricted by the Mortgagee in the management and operation of the Development as herein provided and as provided by the Loan Documents (as defined below), the Act, the Code, the Regulations, and any rules, regulations, policies, and procedures of the Mortgagee; and

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WHEREAS, Declarant is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations.

NOW, THEREFORE, in consideration of the Loan, and of the mutual promises and covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

I. PROPERTY.

This Agreement affects the Property which is described in **Exhibit A** attached hereto and made a part hereof.

II. DEFINITIONS.

As used in this Agreement, the terms below shall have the definitions set forth for each one:

"Apartment Mix" means the Qualified Units in the Development, as follows:

Area Median Income "AMI"	<u>0-Bedroom</u> Units	<u>1-Bedroom</u> Units	<u>2-Bedroom</u> Units	Totals
At or below 25% AMI	2	0	0	2
At or below 50% AMI	6	0	0	6
At or below 60% AMI	10	4	8	22
Total	18	4	8	30

"Approved Plans" means those certain plans, drawings and specifications described to the Mortgagee's Board of Directors in the Resolution adopted November 21, 2019, as amended and accepted by the Mortgagee;

"Commitment Letter" means that certain Commitment Letter by and between Mortgagee and Declarant dated as of December 2, 2019;

"Compliance Period" means with respect to any building on the Property, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the credit period as defined in Section 42(i)(1) of the Code with respect thereto;

"Construction Loan" means that certain \$2,250,000.00 interest bearing obligation evidenced by the Construction Loan Note;

"Construction Loan Note" means that certain promissory note dated as of even date herewith made by Declarant to the order of Mortgagee in the original principal amount of up to \$2,250,000.00;

"Development" means all real and personal property and all assets of whatever nature or wherever situate, used in or owned by the business conducted on the Property, which business is to provide rental housing accommodations for persons of low and moderate income and other facilities incidental thereto, including, without limitation, the facilities described in the Approved Plans;

"ELIHC" means that certain Extended Low-Income Housing Commitment dated on or about the date hereof made by and between Declarant and the Mortgagee with respect to the Development;

"Extended Use Period" means, with respect to a building on the Property, the period: (i) beginning on the first (1st) day in the Compliance Period in which such building is part of a qualified low-income housing project, and (ii) ending on the later of: (I) the date specified in the ELIHC, or (II) the date which is fifteen (15) years after the close of the Compliance Period;

"Fiscal Year" means the calendar year or any other period agreed to in writing by the parties hereto as the fiscal year for the Declarant;

"HUD" means the United States Department of Housing and Urban Development, or any federal successor thereto;

"Income Limitation" means, as reflected in the Apartment Mix, twenty-five percent (25%), fifty percent (50%), or sixty percent (60%) of area median gross income, adjusted for family size, within the meaning of the Code and the Regulations and for this purpose, income is determined as defined under HUD regulations promulgated by HUD at 24 C.F.R. 5.609 {2014};

"Loan" means, collectively, the Construction Loan and the Permanent Loan.

"Loan Documents" means, collectively, the Commitment Letter, the Construction Loan Note, the Permanent Loan Note, the Mortgage, that certain Covenant of Compliance and Regulatory Agreement, that certain Mortgagor Affidavit and Agreement, that certain Construction Loan and General Escrow Agreement, that certain Environmental Indemnification Agreement, and this Agreement, all dated as of even date herewith, and all other documents executed by Declarant in connection with the Loan;

"Mortgage" means that certain Open-End Mortgage Deed (Construction), Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith which Mortgage securing all indebtedness and obligations under the Note and constituting a first (1st) priority mortgage lien on the Development;

"Note" means, collectively, the Construction Loan Note and the Permanent Loan Note.

"Permanent Loan" means that certain \$1,500,000.00 interest bearing obligation evidenced by the Permanent Loan Note;

"Permanent Loan Note" means that certain promissory note dated as of even date herewith made by Declarant to the order of Mortgagee in the original principal amount of up to \$1,500,000.00;

"Qualified Person(s)" means individuals and families who, at the time each such individual or family first occupies a residential unit in the Development have annual income that meets the applicable Income Limitation;

"Qualified Project Period" means, as set forth in Section 142(d)(2)(A) of the Code, the period beginning on the first (1st) day on which ten percent (10%) of the residential units in the Development are occupied and ending on the latest of: (i) the date which is fifteen (15) years after the date on which fifty percent (50%) of the residential units in the Development are occupied; (ii) the first day on which no tax-exempt private activity bond issued with respect to the Development is outstanding; or (iii) the date on which any assistance provided with respect to the Development under Section 8 terminates;

"Qualified Rent" means an annual gross rental not greater than thirty percent (30%) of the annual imputed Income Limitation applicable for such unit for each Qualified Person, in accordance with the Act, the Code and the Regulations, which maximum rental limits applicable to Qualified Units shall be revised by a percentage equal to any percentage change in area median income pursuant to Section 42 of the Code, provided, however, Qualified Rent shall not include any payment under Section 8 or any comparable rental assistance program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include any utility allowance applicable pursuant to the Code, after taking into account such determinations under such Section 8;

"Qualified Unit" means a residential unit at the Development occupied, or available for occupancy, by a Qualified Person(s) at the Qualified Rent;

"Section 8" means section 8 of the Housing Act of 1937, as amended;

"State" means the State of Connecticut.

III. RESTRICTIONS ON USE OF THE DEVELOPMENT.

Declarant hereby represents, covenants, warrants and agrees to and with Mortgagee, as follows:

1. The Development shall be located on the Property and shall consist of the facilities described in the Approved Plans and shall consist of a building or buildings or structure and facilities functionally related and subordinated thereto, owned by the same person(s) for tax purposes, all located on a single tract of land and financed under a common plan of finance, with (i) each containing one or more similar residential units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and (ii) all of the residential units of which shall be rented or available on a non-transient basis for rental to members of the general public, suitable for residential occupancy, and in compliance with all State and local health, safety and building codes.

2. Declarant shall proceed with due diligence to promptly complete construction and/or renovation of the Development in accordance with the Approved Plans, and shall make no change in the nature,

size (including number of residential units) or location of the Development from that which was shown on the Approved Plans without the prior written consent of the Mortgagee.

3. Declarant shall, on a continuous basis, maintain all of the residential units in the Development either as rented (or available for rental) to members of the general public during the Qualified Project Period, the Compliance Period and the Extended Use Period.

4. Declarant hereby covenants and agrees to comply with the requirements: (a) for "*qualified residential rental projects*" financed with exempt facility bonds as provided in Section 142(d) of the Code, and (b) for obtaining low-income housing tax credits under Section 42 of the Code with respect to the Development during the Compliance Period and Declarant's obligations under the ELIHC (entered into pursuant to Section 42(h)(6) of the Code) which are incorporated herein by reference.

5. During the Qualified Project Period, each residential unit in the Development shall be rented or available for rental on a continuous basis to members of the general public on other than a transient basis and thirty (30) of said Qualified Units shall be occupied by individuals whose annual income is sixty percent (60%) or less of area median gross income, adjustable for family size in accordance with the Apartment Mix.

6. During the Compliance Period and the Extended Use Period, each residential unit in the Development shall be rented or available for rental on a continuous basis to members of the general public on other than a transient basis, and thirty (30) of said Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is sixty percent (60%) or less of the area median gross income adjusted for family size in accordance with the Apartment Mix.

7. The Qualified Units shall be leased, or vacant and available for lease: (a) only to Qualified Persons, in accordance with the Apartment Mix, and (b) at a rental not greater than thirty percent (30%) of the Income Limitation for such unit in accordance with Section 42(g)(2) of the Code.

8. The maximum rents that can be charged for residential units in the Development shall be uniform for each particular housing unit size (e.g., one bedroom units, two bedroom units) regardless of the number of persons residing in such unit.

9. At the discretion of the U.S. Secretary of the Treasury, the maximum income levels may deviate from the area median income to reflect current or future policy on income limits with respect to areas with unusually low family income or high housing cost relative to family income consistent with HUD's determination under Section 8.

10. The Development shall have at least thirty (30) Qualified Units.

11. The Qualified Units shall remain Qualified Units during the Extended Use Period.

12. Income and area median gross income shall be determined in a manner consistent with determinations of lower income families under Section 8, adjusted for family size, as determined by HUD. The Development shall meet the above requirements no later than the close of the first (1st) year of the

credit period as defined in Section 42(f)(1) of the Code, except as otherwise provided and permitted under Section 42(g)(3) of the Code.

13. After initial occupancy by Qualified Persons, but upon again becoming vacant, a unit shall be treated as occupied by Qualified Persons until occupied, other than for a temporary period by another occupant, at which time the character of the unit shall be re-determined by the new occupant's income. In no event shall a temporary period exceed thirty (30) days. A unit occupied by an individual or family who, at the commencement of occupancy, was a Qualified Person shall be treated as occupied by a Qualified Person during such individual's or family's tenancy in such unit until such individual's or family's income exceeds one hundred forty percent (140%) of the Income Limitation at the time of the most recent Determination (as defined below). Once an individual's or family income exceeds one hundred forty percent (140%) of the Income Limitation, the unit occupied by such individual or family shall continue to be treated as occupied by a Qualified Person unless, after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income exceeds the Income Limitation. Notwithstanding the provisions of this paragraph the Development shall also comply at all times with the requirements of Section 42(g)(2)(D) of the Code.

14. As required by the Mortgagee, Declarant shall make a determination (the "Determination") on the basis of current income of whether the income of an individual or family residing in a unit of the Development exceeds the applicable Income Limitation. Annually, and at such other times as may be required by the Mortgagee, Declarant shall certify compliance with the applicable Income Limitation to the Mortgagee and the U.S. Secretary of the Treasury, if required (at such times and in such manner as the Mortgagee and Secretary shall each prescribe).

15. Declarant shall furnish to the Mortgagee, on at least an annual basis, or on some other basis as determined by the Mortgagee to be required by the Code and the Regulations, such information as the Mortgagee shall require, including (a) any compliance forms now or hereafter required to be filed with the U.S. Secretary of the Treasury or the Mortgagee, and (b) a form entitled "*Owner's Certificate of Continuing Program Compliance*" attached hereto as **Exhibit B**, and to maintain on file a Tenant Income Certification (TC-100), in the form attached hereto as **Exhibit C**, tenant lists, lease applications, copies of any compliance forms filed with the Secretary of the Treasury or Internal Revenue Service, and a waiting list, in order to permit verification that the covenants set forth herein are being satisfied by Declarant. Declarant shall take such action as the Mortgagee shall from time to time deem necessary to comply with the covenants herein or to correct or cure any failure of Declarant to comply with the covenants herein. Declarant shall use tenant lease forms acceptable to the Mortgagee, or, if there are no written leases, written and signed certifications of tenants so as to be able to determine tenant qualifications or take such other corrective action as is necessary to comply with the covenants herein or to correct or cure any failure of Declarant to comply with the covenants herein. Such leases or certifications shall provide that (i) each tenant certify as to the accuracy of statements made in the Tenant Income Certification, (ii) agree that individual or family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, (iii) comply with all requests for information with respect thereto from Declarant or the Mortgagee, and (iv) failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be a violation of a substantial obligation of his/her tenancy.

16. The Development shall be residential rental housing within the meaning of the Act, the Code and Regulations, and shall be used for the benefit of those members of the general public of low and moderate income upon certain terms and conditions, as set out below: (a) during the Compliance Period and the Extended Use Period, Declarant shall set aside the Qualified Units in the Development for individuals or families who are Qualified Persons at the Qualified Rent, as determined by the Mortgagee and for a period of not less than forty-two (42) years, Declarant shall lease, at the Qualified Rent (or sell or lease said units in the Development in such a manner that said units shall be leased or sold or held vacant and available for lease or sale) only to individuals or families who are Qualified Persons, as determined by the Mortgagee, or its successor, and such continuing restriction for said period shall operate, as follows: (i) if all or any part of the Development is sold, transferred or otherwise conveyed to any other individual, party or entity other than Declarant, such conveyance shall be made by deed subject to an affirmative covenant running with the land, which covenant shall bind the grantee of such deed, and all successors, assigns, and heirs thereof, to the restrictions contained in this Agreement, and in the event that such affirmative covenant is omitted from any such deed of conveyance, then such affirmative covenant shall be deemed to have been included and shall run with the land described on Exhibit A, attached hereto and made a part hereof, as if it had been contained in such deed, and the covenant and restrictions shall be binding to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by Mortgagee, or any of its successors, or their successors and assigns as their interest may appear; and (ii) if the Development shall at any time during the Extended Use Period be converted to a common interest community by Declarant or any grantee as aforesaid, such conversion shall include in the declaration of common interest community an affirmative covenant running with the land and such common interest community shall be subject to the terms and conditions of this Agreement, which shall bind the common interest community association, the common interest community unit owner and their respective successors and assigns, to the restrictions contained in this Agreement, and said covenant shall also require that all units in the common interest community shall be sold, or held vacant for sale, only to individuals or families who are Qualified Persons, as determined by Mortgagee or its successor(s) at the time of such sale, and the covenant shall be binding upon the common interest community association, its successors and its assigns to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by Mortgagee, or any of its successors and assigns as their interests may appear, and said declaration of common interest community shall require that all units that are to be sold or available for sale to individuals or families who are Qualified Persons shall also be subject to the further restriction that no re-conveyance of any such unit(s) shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Mortgagee or its successors or assigns that the prospective purchaser(s) is(are) an individual who is a Qualified Person, and Mortgagee or its successors or assigns shall designate a party to issue such a certification and shall notify the common interest community, from time to time, of the identity of such party, and a unit may not be conveyed pursuant to a time-sharing plan as defined in Chapter 734b of the Connecticut General Statutes; (b) in the event of substantial destruction or condemnation of the Development, as determined by the Mortgagee in its sole discretion, which destruction is not rebuilt or corrected for any reason, then Declarant shall have the right to request, and the Mortgagee may, so long as it has not delivered any applicable insurance proceeds to Declarant, release and waive Declarant and the Property from the terms, restrictions and conditions contained herein, and upon such destruction or condemnation, the Mortgagee, or its successors, or its assigns, may execute appropriate documents for Declarant, its successors or assigns to record on the land records for the city or town where the Development is located rescinding the restrictions contained herein, if Mortgagee, in its sole discretion, elects to so release and waive Declarant and Property from the terms, restrictions and conditions contained herein, and if Mortgagee delivers said insurance proceeds to Declarant, and Declarant is required to repair or reconstruct the Development pursuant to the terms of the Mortgage, then this Agreement and the

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restrictions and covenants contained herein shall remain in full force and effect; (c) as required by the Mortgagee, in every Fiscal Year during the longest of the Compliance Period and the Extended Use Period and until the Mortgage has been released, Declarant shall deliver to the Mortgagee, in a form accepted by Mortgagee, a certificate setting forth the percentage of units at the Development occupied by individuals or families who are Qualified Persons, and Mortgagee shall have the right to observe Declarant's records regarding tenants and tenant selection policy for the Development at any time, and to request and receive any information, documentation, or other confirmation that Declarant's tenant selection policy complies with the requirements of the Mortgagee; and (d) to the extent necessary to comply with the Act, Mortgagee's procedures, including, but not limited to, the State of Connecticut's applicable qualified allocation plan and Application Process Procedures, the Code and the Regulations, the Mortgagee shall have the right to take any and all actions which it deems appropriate, to rent any unleased or vacant dwelling unit in the Development (if the Development is used for rental units), including without limitation thereof the right to the appointment of a receiver to enter upon and take possession of the Property, to enter into tenant leases, to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct or to seek any remedy available or necessary for the enforcement of the covenants and restrictions herein. The receiver shall have the rights and powers permitted under the laws of the State and such other powers as the court making such appointment shall confer.

IV. APPLICABLE PERIOD.

This Agreement shall continue in full force and effect throughout the longest of the applicable periods to enable the Mortgagee and its successors and assigns to enforce compliance by Declarant with the covenants, terms and conditions of the Loan and of this Agreement. The covenants and restrictions of Declarant herein set forth are intended to be and shall be considered covenants which run with the land and shall bind all subsequent owners of such land, except to the extent herein provided. The Mortgagee and Declarant hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land by enhancing and increasing the enjoyment and use of the Development by low and moderate income persons, the intended beneficiaries of such covenants. The covenants of Declarant set forth herein are enforceable by the Mortgagee as a contract beneficiary whether or not Declarant is or remains indebted to the Mortgagee, except to the extent herein provided.

V. CONTROLLING & BINDING EFFECT.

Declarant warrants to the Mortgagee that it shall not execute other declarations or agreements with provisions contradictory, or in opposition to, the provisions hereof and that in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and shall supersede any other requirements in conflict therewith, recognizing the current interests of the State of Connecticut acting through its Department of Housing as exist under their Restrictive Covenant of even date herewith. This Agreement shall be binding upon the parties hereto and their respective successors and assigns, as their interests may appear, except that a foreclosing mortgagee, other foreclosing lien holder, or other owner of the equity, a trustee in bankruptcy or heir of any owner shall be exempt from Declarant's covenants contained in this Agreement, until such time as the foreclosed upon property, or property held by a trustee in bankruptcy, or property taken by devise, is sold, leased or otherwise conveyed, at which time such sale, lease, or conveyance shall be subject to the covenants and restrictions herein.

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VI. SURVIVAL.

The covenants of Declarant set forth herein shall survive a sale, transfer, or other disposition of all or part of, or any interest in, the Development by Declarant, but shall cease to apply to the Development in the event of involuntary noncompliance caused by fire or other casualty, even though compensated by insurance, government seizure, requisition, change in a federal law or an action of a State or federal government which prevents the Mortgagee from enforcing the requirements herein. The covenants of Declarant shall also survive a foreclosure if, as a result of such event, at any time during the Extended Use Period, Declarant or a related person (as defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development.

VII. SUBSEQUENT ACTIONS & TRANSFERS.

Declarant shall file or record such documents and take such other steps as are necessary in order to ensure that the requirements and restrictions of this Agreement shall be binding upon all owners and/or lessees of the Development. Declarant shall include the requirements and restrictions contained in this Agreement in any instrument(s) assigning or transferring any interest in the Development to another person so that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to be bound by and comply with the requirements set forth in this Agreement. Declarant shall also provide a copy of such instrument(s) to the Mortgagee promptly.

VIII. REMEDIES.

Upon the occurrence of an Event of Default, as defined in the Mortgage, the Mortgagee shall have the right to accelerate the Loan (if Declarant is then indebted to the Mortgagee), to pursue its remedies under the Loan Documents, to maintain an action or actions in law or in equity against Declarant, to recover the damages incurred by the Mortgagee from such failure, to require Declarant (through injunctive relief or specific performance) to comply with the provisions and covenants set forth herein, and to immediately (at the expense of Declarant) cure any failure to comply with the covenants set forth herein.

IX. CODE REQUIREMENTS.

Declarant acknowledges that this Agreement is based, in part, upon the Code and the Regulations as they exist on the date hereof and that the Code and the Regulations may be subsequently modified or interpreted by the Federal government or the courts in a manner which the Mortgagee believes is inconsistent with the covenants set forth herein. Declarant shall comply with any additional covenant(s) and restriction(s) which the Mortgagee believes, upon advice of counsel to the Mortgagee, is or are necessary to comply with the Code and the Regulations and which is or are communicated in writing to Declarant, even though such covenant(s) or restriction(s) is(are) not a part of this Agreement as originally executed, *provided, however*, that if counsel for Declarant disagrees with the advice of counsel for the Mortgagee, Declarant shall have the right at its own expense to proceed with obtaining a favorable ruling from the Internal Revenue Service or such court interpretation which Declarant deems advisable and in its best interest, and the Mortgagee shall cooperate fully with Declarant in this connection, so long as Declarant bears the Mortgagee's expenses in obtaining such ruling or decision. In such event, such additional covenant or restriction shall be considered a material part of this Agreement as if it had been originally included herein.

X. NOTICES

Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the respective parties' addresses on page 1 hereof, in writing, and shall be deemed to have been duly given (1) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (2) when delivered, if delivered personally, (3) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (4) when sent, if sent by overnight mail or overnight courier, in each case with a copy (which shall not constitute notice) to the Mortgagee's General Counsel at the above address. Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication. Any party may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

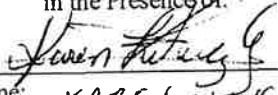
XI. MISCELLANEOUS.


Declarant shall cause this Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the conveyance and real property records of the town in which the Property is located and in such other places as the Mortgagee may reasonably request. Declarant shall pay all fees and charges incurred in connection with any such recording. Declarant hereby covenants and agrees to execute, file, and provide any and all information, documentation, or verification required by the federal government or the Mortgagee regarding the covenants and agreements contained herein. Declarant shall pay the Mortgagee's fees as from time to time determined by the Mortgagee for its compliance monitoring duties. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, except to the extent superseded by Federal law. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same Agreement. Notice: False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b. Declarant hereby agrees that Declarant (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three (3) years immediately preceding the date hereof, which violation(s) (a) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970 and (b) was not abated within the time fixed by the citations and (c) such citation has not been set aside, and (2) has not received one or more criminal convictions related to the injury or death of any employee in such three (3) year period. Declarant agrees to comply with the Civil Rights Acts of 1964 and 1968, as amended, and Executive Orders relating thereto, as applicable. Declarant also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, as amended, incorporated herein by reference.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

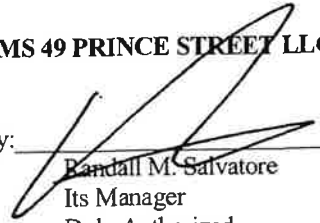
IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered
in the Presence of:


Name: KAREN NUNEZ


Name: Genesis Bolwer

RMS 49 PRINCE STREET LLC

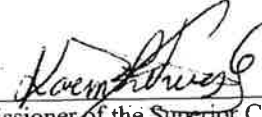
By: 
Randall M. Salvatore
Its Manager
Duly Authorized

STATE OF CONNECTICUT)
COUNTY OF Fairfield)

ss. _____

May 26, 2020

Personally appeared, Randall M. Salvatore, Manager of RMS 49 PRINCE STREET LLC, a Connecticut limited liability company, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as Manager, and the free act and deed of RMS 49 PRINCE STREET LLC, and that said instrument was signed on behalf of and with the authority of said limited liability company, before me.


Commissioner of the Superior Court
Notary Public

KAREN L. NUNEZ
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 6/30/2021

CHFA Loan No. 18-013
49 Prince Street
Declaration and Agreement of Restrictive Covenants
Form Revision Date: 8/6/19

Tracy L. Morse
Tracy L. Morse

E. M. H. H.

Edward Myskowski

CONNECTICUT HOUSING FINANCE
AUTHORITY

By: Nandini Natarajan

Name: Nandini Natarajan

Title: Chief Executive Officer, Executive Director
Duly Authorized

STATE OF CONNECTICUT)
COUNTY OF HARTFORD)

ss. Rocky Hill

May 21, 2020

Personally appeared, Nandini Natarajan, Chief Executive Officer, Executive Director of the CONNECTICUT HOUSING FINANCE AUTHORITY, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his/her free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.

Tracy L. Morse
~~Commissioner of the Superior Court~~
Notary Public

3/3/22

Exhibit A

Property Description

A certain piece or parcel located in the City and County of New Haven and State of Connecticut containing 20,500 square feet± 0.47062 Acres ± and being shown on a map entitled, "ALTA/NSPS LAND TITLE SURVEY 49 PRINCE STREET, NEW HAVEN CONNECTICUT", prepared by LANGAN CT, INC., 555 Long Wharf Drive, New Haven, CT 06511, Scale 1"=20' dated February 13, 2020, rev. 4/30/20 on filed in the New Haven Town Clerk's office in Map Volume 62 at Page 201, said parcel being more particularly bounded and described as follows:

Beginning at a point marking the intersection of the northwesterly street line of Prince Street and the easterly street line of Gold Street;

Thence running North 35° 39' 49" West, 111.45 feet along said easterly street line of Gold Street;

Thence running North 43° 41' 16" East, 152.15 feet along land now or formerly of Saint Anthony's Church;

Thence running North 46° 41' 41" East, 18.09 feet and South 42° 44' 24" East, 120.83 feet along land now or formerly of Yale University;

Thence running South 47° 26' 21" West, 183.67 feet along the northwesterly street line of Prince Street to the point and place of beginning.

Together with a Parking Space Lease from RMS Gold Street LLC to RMS 49 Prince Street LLC dated May 22, 2020 and recorded in the New Haven Land Records.

EXHIBIT B

Received Date (For Office Use Only):

**OWNER'S CERTIFICATE OF CONTINUING
LIHTC PROGRAM COMPLIANCE**

To: Connecticut Housing Finance Authority
C/O Spectrum Enterprises, Inc.
545 Shore Road
Cape Elizabeth, ME 04107

- ☐ No buildings have been Placed in Service
☐ At least one building has been placed in Service but owner elects to begin credit period in the following year.

If either of the above applies, please check the appropriate box, and proceed to page 3 to sign and date this form.

Certification Dates:	From: January 1, 20	To: December 31, 20	
Project Name:		Project No:	
Project Address:		City:	Zip:
Tax ID # of Ownership Entity:			

The undersigned _____ on behalf of

_____ (the "Owner"), hereby certifies to the

Connecticut Housing Finance Authority ("the Authority") that:

- I. The project met the minimum requirements of: (check one)
 - ☐ 20 - 50 test under Section 42(g)(1)(A) of the Code
 - ☐ 40 - 60 test under Section 42(g)(1)(B) of the Code
 - ☐ Income Averaging test under Section 42(g)(1)(C) of the Code (**complete attached IA Tracking Sheet**)

- II. There has been **no change in the applicable fraction** (as defined in Section 42(c)(1)(B)) of any building in the project, or that there was a change and description of the change;
 - ☐ NO CHANGE ☐ CHANGE

If "**Change**" list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 4.

- III. The owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of Section 1.42-5;
 - ☐ YES ☐ NO

- IV. Each low-income unit in the project has been rent-restricted under Section 42(g)(2);
 - ☐ YES ☐ NO

- V. All units in the project were for use by the general public (as defined in Section 1.42-9), including the requirement that no finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, occurred for the project. A finding of discrimination includes an adverse final decision by the Secretary of the Department of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C. 3616a(a)(1), or an adverse judgment from a federal court;
 - ☐ YES ☐ NO

- VI. The buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Authority under paragraph (c)(1) of Section 1.42-5. In addition, the owner must state whether the violation has been corrected;
 - ☐ YES ☐ NO

May 2019

- VII. There was no change in the eligible basis (as defined in Section 42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);

☐ NO CHANGE

☐ CHANGE

If "Change", state nature of the change on page 4.

- VIII. All tenant facilities included in the eligible basis under Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;

☐ YES

☐ NO

- IX. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

☐ YES

☐ NO

- X. If the income of tenants of a low-income unit in the building increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to tenants having a qualifying income;

☐ YES

☐ NO

- XI. An extended low-income housing commitment as described in Section 42(h)(6) was in effect (for buildings subject to Section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308-2311), including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to Section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 312, 438-439);

☐ YES

☐ NO

☐ N/A

- XII. All low-income units in the project were used on a nontransient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv);

☐ YES

☐ NO

☐ HOMELESS

- XIII.a The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42 (h)(5) of the code.

☐ YES

☐ NO (if NO, skip to question XIV)

- XIII.b If the answer to XIII.a was yes, is that participation ongoing?

☐ YES

☐ NO

- XIV. There has been no change in the ownership or management of the project;

☐ NO CHANGE

☐ CHANGE

If "Change", complete page 4 detailing the changes in ownership or management of the project.

- XV. The Owner complies with Internal Revenue Service ("IRS") Revenue Ruling 2004-82, which at Question and Answer 5, states that Internal Revenue Code ("IRC") Section 42(h)(6)(B)(i) requires that "an extended low-income housing commitment include a prohibition during the extended use period against (1) the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit (no-cause eviction protection) and (2) any increase in the gross rent with respect to the unit not otherwise permitted under § 42.

☐ YES

☐ NO

- XVI. The person responsible for the tax credit management of the property has attended LIHTC training within the past three years. Provide copy of certificate of continuing education.

☐ YES

☐ NO

- XVII. The housing provider has implemented mandated procedures in accordance with the Violence Against Women Act (VAWA) protection to all person covered by VAWA law. This includes but is not limited to notification and notice requirements, discretionary accommodations with leases, emergency transfer plans, occupancy rights, evictions and proper VAWA record retention and reporting requirements.

☐ YES

☐ NO

May 2019

XVIII. The Owner confirms the project continues to meet the requirements of the Qualified Allocation Plan that was in effect at the time of their application, the specific scoring criteria that the project was awarded points for, and the certifications represented in the Consolidated Application submitted for the project.

☐ YES

☐ NO

If "NO", complete page 4 explaining why the property no longer meets the requirements.

Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form, unless permitted by the state agency.

The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

By:

(Signature)

(Ownership Entity)

(Please Print Name)

(Owner Phone Number)

Title:

(Owner Email)

Date:

Signed sealed and delivered in the presence of:

Notary: _____

Witness: _____

My commission expires: _____

Date of Execution: _____

(NOTARY PUBLIC SEAL)

May 2019

[illegible]

TRANSFER OF OWNERSHIP

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
General Partnership:	
Status of Partnership (LLC, etc):	

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	

**Connecticut Housing Finance Authority
Low Income Housing Tax Credit (LIHTC)
Income Averaging Tracking Sheet**

The Connecticut Housing Finance Authority (CHFA) requires that this Income Averaging Tracking Sheet be completed to show all units in each building of your LIHTC project. Every unit in each tax credit building must be reported regardless of whether it is a tax credit unit.

Please note that the number of LIHTC units at each AMI% must match the Extended Low-Income Housing Commitment for Low Income Housing Credits. For units that are not Tax Credit qualified, please select the "MKT" column which applies to the unit. No entries should exist that are prior to the "placed in service date".

Project Name		Total No. of BINS	
Address		Buildings PIS Dates	
County		Total No. of Units (Including market)	
Report Period		No. of LIHTC Units	
Prepared by:		Date:	
AMI	Total # of Units		
20%			
30%			
40%			
50%			
60%			
70%			
80%			
Market Rate			
TOTAL			

EXHIBIT C

TENANT INCOME CERTIFICATION

<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other		Effective Date: _____ Move-in Date: _____ (MM/DD/YYYY)							
PART I - DEVELOPMENT DATA									
Property Name: _____		County: _____	BIN #: _____						
Address: _____		Unit Number: _____	# Bedrooms: _____						
PART II. HOUSEHOLD COMPOSITION									
DEMOGRAPHIC INFO (LIHTC ONLY)									
HH Mbr #	Last Name	First Name & M.I.	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student?	SS# - last 4 digits	Race	Ethnicity	Disabled?
1			HEAD						
2									
3									
4									
5									
6									
7									
PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)									
HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income					
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____					
Add totals from (A) through (D), above			TOTAL INCOME (E): \$ _____						
PART IV. INCOME FROM ASSETS									
Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset					
TOTALS:			\$ _____	\$ _____					
Enter Column (H) Total If over \$5000		\$ _____ X	Passbook Rate 2.00%	= (J) Imputed Income \$ _____					
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K) \$ _____						
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ _____					
HOUSEHOLD CERTIFICATION & SIGNATURES									
The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.									
Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.									
Signature _____		(Date) _____	Signature _____						
Signature _____		(Date) _____	Signature _____						

PART V. DETERMINATION OF INCOME ELIGIBILITY			
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: <small>From item (L) on page 1</small> <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>	Household Meets Income Restriction at:	RECERTIFICATION ONLY: Current Income Limit x 140%: <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____% </div> <div> Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No </div> </div>
Current Income Limit per Family Size: \$ _____	Household Income at Move-in: \$ _____ Household Size at Move-in: _____		

PART VI. RENT	
Tenant Paid Rent \$ _____ Utility Allowance \$ _____ GROSS RENT FOR UNIT: <small>(Tenant paid rent plus Utility Allowance & other non-optional charges)</small> <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>	Rent Assistance: \$ _____ Type: _____ Other non-optional charges: \$ _____ Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%
Maximum Rent Limit for this unit: \$ _____	

PART VII. STUDENT STATUS	
ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* <small>(also attach documentation)</small> <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div>
*Student Explanation: 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return 5 Formerly in foster care	

PART VIII. PROGRAM TYPE				
Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.				
a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> Income Status <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> Income Status <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> Income Status <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. <input type="checkbox"/> <small>(Name of Program)</small> Income Status <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.				

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE _____

DATE _____

06/04/2020 12:26:20 PM
 Michael B. Smart City Clerk
 City of New Haven



After recording, return to: CHFA, 999 West Street, Rocky Hill

**OPEN-END MORTGAGE DEED (CONSTRUCTION), SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTALS AND FIXTURE FILING**

TO ALL PEOPLE TO WHOM THESE PRESENTS MAY COME, GREETING:

KNOW YE, that **RMS 49 PRINCE STREET LLC**, a limited liability company organized and existing under the laws of the State of Connecticut with an office and principal place of business at 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 (the "Mortgagor"), for consideration of up to THREE MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$3,750,000.00) or so much thereof as shall be advanced to Mortgagor hereunder, received to its full satisfaction from the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut and having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Mortgagee"), does hereby give, grant, bargain, sell and confirm unto the said Mortgagee, its successors and assigns forever WITH MORTGAGE COVENANTS, the following property:

I. THE MORTGAGED PROPERTY.

That certain piece or parcel of land, more particularly bounded and described on Exhibit A, attached hereto and made a part hereof (the "Land");

TOGETHER WITH the buildings, foundations, structures and improvements (including all fixtures other than fixtures owned by tenants under the Leases (as hereinafter defined) and in which Mortgagor has no interest) now or hereafter located on or in the Land (collectively, the "Improvements"; the Land and Improvements are sometimes collectively referred to herein as the "Premises" or the "Development");

TOGETHER WITH all right, title and interest, if any, of Mortgagor in and to the streets and roads, opened or proposed, abutting the Land, all strips and gores within or adjoining the Land, the air space and right to use the air space above the Land, all rights of ingress and egress to and from the Land, all easements, rights of way, reversions, remainders, hereditaments, and appurtenances now or hereafter affecting the Premises, all royalties, rights and privileges appertaining to the use and enjoyment of the Premises, including all air, lateral support, alley, drainage, water, oil, gas, electric and mineral rights, all options to purchase or lease, and all other interests, estates or claims, at law or in equity, which Mortgagor now has or hereafter may acquire in or with respect to Premises (collectively, the "Appurtenances");

TOGETHER WITH all real estate fixtures or items, now or hereafter owned by Mortgagor, or in which Mortgagor has or hereafter obtains an interest, and now or hereafter located in or upon the Premises, or now or hereafter attached or affixed to, installed in, or used in connection with any of the Premises, including, but not limited to, any and all portable or sectional buildings, bathrooms, plumbing, heating, lighting, electrical, refrigerating, ventilating and air-conditioning apparatus and equipment, garbage incinerators and receptacles, elevators and elevator machinery, boilers, furnaces, stoves, tanks, motors, sprinkler and fire detection and extinguishing systems, doorbell and alarm systems, window shades, screens, awnings, screen doors, storm and other detachable windows and doors, mantels, partitions, built-

in cases, counters and other fixtures whether or not included in the foregoing enumeration (collectively, the "Fixtures");

TOGETHER WITH all right, title and interest of Mortgagor in and to any and all subsidy contracts with respect to the Development, including, without limitation, any subsidy contract with the federal government, the State of Connecticut, any town, city or municipal entity, or any other entity for the benefit of the Development or the tenants in the Development (collectively, the "Subsidy Contracts");

TOGETHER WITH all equipment, fittings, furniture, furnishings, appliances, apparatus, and machinery in which Mortgagor now or hereafter has a possessory, leasehold, title or other interest and now or hereafter installed in or on the Premises and all building materials, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein, other goods and personal property of whatever kind and nature now contained on or in or hereafter placed on or in the Premises and used or to be used in connection with the letting or operation thereof, in which Mortgagor now has or hereafter may acquire a possessory, leasehold, title or other interest and all renewals or replacements of any of the foregoing property or articles in substitution thereof (collectively, the "Equipment");

TOGETHER WITH all right, title and interest of Mortgagor in and under all Accounts (including Health-Care-Insurance Receivables), Goods (including Inventory, Equipment and any Accessions thereto), Deposit Accounts, Documents, Documents of Title, Inventory, Records, Instruments, Chattel Paper (whether tangible or electronic), General Intangibles (including payment intangibles), Investment Property, Letter-of-Credit Rights (whether the letter of credit is evidenced in writing), Money, insurance and insurance claims, Supporting Obligations and Proceeds (as each of the foregoing capitalized terms are defined in the Uniform Commercial Code, as such is adopted and in effect in the State of Connecticut, including, without limitation, Title 42a of the Connecticut General Statutes, as amended (the "UCC")), and all contract rights, money, security deposits, insurance or tax reserves deposited with Mortgagee, rights of Mortgagor under contracts with respect to the Premises or any portion thereof, copyrights, service-marks, other intellectual property and any goodwill associated therewith, trade-marks, franchises, books, records, drawings, plans, specifications, permits, licenses, approvals, actions and causes of action which now or hereafter relate to, are derived from or are used in connection with the Premises or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (collectively, the "Personal Property");

TOGETHER WITH all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Premises, or any portion of the Premises (including proprietary leases or occupancy agreements if Mortgagor is a cooperative housing corporation), and all modifications, extensions or renewals thereof (collectively, the "Leases");

TOGETHER WITH all rents (whether from residential or non-residential space), revenues and other income from the Premises, including subsidy payments received from any sources, including payments under any Subsidy Contract or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Premises, whether now due, past due, or to become due, and tenant security deposits (collectively, the "Property Income");

TOGETHER WITH all proceeds, (including insurance proceeds) judgments, claims, compensation, awards of damages and settlements with respect to or hereafter made as a result of or in lieu of any

condemnation or taking of the Premises by eminent domain or any casualty, loss of, or damage to any of the Premises, the Appurtenances, the Equipment, the Personal Property, the Fixtures, the Leases, or the Property Income, all refunds with respect to the payment of property taxes and assessments, and all other proceeds of the conversion, voluntary or involuntary, of any ground lease, the Premises, the Appurtenances, the Equipment, the Personal Property, the Fixtures, the Leases or the Property Income, or any part thereof, into cash or liquidated claims (collectively, the "Proceeds").

The Fixtures, Subsidy Contracts, Equipment, the Personal Property, the Leases, the Property Income, and the Proceeds are hereinafter sometimes collectively referred to as the "Collateral" and the Mortgagor's leasehold, title or other interest, as applicable, in and to the Premises, the Appurtenances, and the Collateral are hereinafter sometimes collectively referred to as the "Mortgaged Property" or the "Property".

TO HAVE AND TO HOLD the above granted and bargained Mortgaged Property with the privileges and appurtenances thereof, unto it, the said Mortgagee, its successors and assigns forever, to its and their own proper use and behoof. And also, Mortgagor, does for itself, its successors and assigns, covenant with Mortgagee, its successors and assigns, that at and until the ensembling of these presents, it is well seized of the Mortgaged Property as a good indefeasible estate in FEE SIMPLE; and has good right to bargain and sell the same in manner and form as is above written; and that the same are free and clear of all liens and encumbrances whatsoever, except with respect to the Permitted Encumbrances (as defined herein).

AND FURTHERMORE, Mortgagor does by these presents bind itself, its administrators, successors and assigns forever to WARRANT AND DEFEND the above granted and bargained Mortgaged Property to it, Mortgagee, its successors and assigns, against all claims and demands whatsoever, except with respect to the Permitted Encumbrances (as defined herein).

THE CONDITION OF THIS DEED IS SUCH that:

WHEREAS, Mortgagor is indebted to Mortgagee in the sum of up to: (i) TWO MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$2,250,000.00), or so much thereof as may be advanced (the "Construction Loan") as evidenced by that certain Construction Loan Promissory Note (the "Construction Loan Note"); and (ii) ONE MILLION FIVE HUNDRED THOUSAND AND 00/100THS DOLLARS (\$1,500,000.00) or so much thereof as may be advanced (the "Permanent Loan"; the Permanent Loan and the Construction Loan, collectively, the "Loan") as evidenced by that certain Permanent Loan Promissory Note (the "Permanent Loan Note"; the Construction Loan Note and the Permanent Loan Note, collectively, the "Note") dated as of even date herewith executed by Mortgagor and delivered to Mortgagee, with interest at the rate or rates therein provided, both principal and interest being payable as therein provided, and all amounts remaining unpaid thereon being finally due and payable on June 1, 2022, as set forth in the Construction Loan Note and on June 1, 2062, as set forth in the Permanent Loan Note, a copy of both of which are attached hereto as **Exhibit B** and made a part hereof; and

WHEREAS, Mortgagor represents and warrants that it has full power and authority to execute and deliver the Note, this Mortgage, that certain Covenant of Compliance and Regulatory Agreement (the "Regulatory Agreement"), that certain Declaration and Agreement of Restrictive Covenants (the "Declaration") that certain Construction Loan and General Escrow Agreement (the "Loan & Escrow Agreement"), that certain Environmental Indemnification Agreement (the "Environmental Indemnification Agreement"), that certain Property Management Agreement (the "Property Management Agreement"), and all other documents and instruments required of Mortgagor by Mortgagee securing the Note or in connection with

the making or giving of the Loan (together with the Note, this Mortgage, the Declaration, the Regulatory Agreement, the Loan & Escrow Agreement, the Environmental Indemnification Agreement and the Property Management Agreement, collectively, the "Loan Documents"), the terms of which are hereby incorporated herein; and

WHEREAS, the building or Improvements (including site improvements) on said Mortgaged Property are in the process of construction, repair, renovation and/or rehabilitation, and/or are to be erected or repaired; and

WHEREAS, Mortgagee has advanced the sums of FIVE HUNDRED FORTY-EIGHT THOUSAND NINE HUNDRED FORTY-ONE AND 00/100THS DOLLARS (\$548,941.00) from the Construction Loan and THREE HUNDRED SIXTY-FIVE THOUSAND NINE HUNDRED SIXTY AND 00/100THS DOLLARS (\$365,960.00) from the Permanent Loan to Mortgagor on the date hereof; and

WHEREAS, Mortgagee has agreed to advance the balance of the Loan to Mortgagor in installments as the work progresses hereunder, the time and amount of each advance to be at the sole discretion and upon the estimate of Mortgagee, so that when all of the work on said Mortgaged Property shall have been completed to the satisfaction of Mortgagee, then Mortgagee shall, subject to the terms and conditions of this Mortgage and the other Loan Documents, pay over to Mortgagor any balance necessary to complete the Loan; and

WHEREAS, the maximum amount of the Construction Loan is TWO MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$2,250,000.00) and the maximum amount of the Permanent Loan is ONE MILLION FIVE HUNDRED THOUSAND AND 00/100THS DOLLARS (\$1,500,000.00); and

WHEREAS, Mortgagor agrees to complete the construction, renovation, rehabilitation and/or erection or repair, of said buildings or Improvements (including site improvements) to the satisfaction of Mortgagee within a reasonable time from the date hereof, or, at the latest, on or before twenty-four (24) months from the date hereof.

NOW THEREFORE, in order to more fully protect the security of this Mortgage, Mortgagor hereby warrants, covenants and agrees with Mortgagee as follows:

II. MORTGAGOR COVENANTS, WARRANTIES, REPRESENTATIONS AND AGREEMENTS.

1. **Title & Organization.** Mortgagor represents and covenants that: (a) Mortgagor has fee simple title to the Premises and good indefeasible title to the balance of the Mortgaged Property, free and clear of liens and encumbrances, except as set forth in Exhibit C attached hereto and made a part hereof (collectively, the "Permitted Encumbrances"); (b) Mortgagor has full power and lawful authority to give, grant, bargain, sell, confirm unto, assign, transfer, grant a security interest in and encumber the Mortgaged Property in the manner and form herein set forth; (c) this Mortgage is and will remain a valid and enforceable first priority lien on, and security interest in, the Mortgaged Property and Mortgagor will preserve such title and will forever warrant and defend the same and the validity and priority of the lien hereof to Mortgagee against all claims whatsoever; (d) Mortgagor maintains its chief executive office at the location set forth in the opening paragraph above, and Mortgagor will notify Mortgagee in writing of any change in its chief executive office within five (5) days of such change; (e) Mortgagor's state of incorporation, organization, or formation, if applicable, is as set

forth in the opening paragraph above; and (f) Mortgagor is the owner of the Collateral subject to no liens, charges or encumbrances other than the lien hereof and the Permitted Encumbrances.

2. Performance of Obligations. Mortgagor shall perform, observe and comply with all provisions hereof, of the Note and of the Loan Documents, and shall promptly pay to Mortgagee the principal of the Note with all applicable interest thereon and shall pay, perform and observe all of the obligations and conditions set forth in each of the Note, this Mortgage and all of the other Loan Documents (such obligations and indebtedness therein described being referred to herein, collectively, as the "Indebtedness"). All payments set forth in Section 7 hereof, and all payments to be made under the Note secured hereby shall be added together and the aggregate amount thereof shall be paid by Mortgagor each month in a single payment, on the date specified in the Note for payments of principal and interest, to be applied by Mortgagee as set forth in the Note. Any deficiency in the amount of said aggregate monthly payment required to be paid shall constitute an Event of Default (as defined herein) and the whole of said principal sum and all accrued unpaid interest thereon shall immediately become due and payable at the option of Mortgagee.

3. Use of Mortgaged Property. Mortgagor shall use the Mortgaged Property in accordance with the provisions of the Regulatory Agreement and the Property Management Agreement, and all uses incidental ancillary and/or attendant thereto, and shall not use the Mortgaged Property for any purpose other than the purpose intended on the date hereof. Mortgagor shall not, without the prior written consent of Mortgagee, change the use of the Mortgaged Property (or cause or permit the use or occupancy of any part of the Premises to be discontinued if such discontinuance would violate any zoning or other law, ordinance or regulation), consent to any zoning reclassification, modification or restriction affecting the Mortgaged Property, or convert the Mortgaged Property, or any portion thereof, to a common interest community form of ownership.

4. Protection and Maintenance; Compliance with Laws. Mortgagor shall at all times preserve and maintain the Mortgaged Property in good condition, working order and repair, and shall comply with all laws, statutes, ordinances, rules, codes, restrictive covenants, licenses, permits and regulations of any authority claiming jurisdiction over the Mortgaged Property. Mortgagor covenants and warrants that the Mortgaged Property presently complies with all such requirements and if Mortgagor receives any notice of non-compliance with any such requirement, Mortgagor shall provide Mortgagee with a copy of such notice promptly, and Mortgagor shall proceed to comply with such requirement and any terms and provisions of such notice. Mortgagor shall not commit or suffer any strip or waste of the Mortgaged Property, or any portion thereof, any violation of any law, statute, code, restrictive covenant, rule, regulation, ordinance, license or permit, or the requirements of any licensing authority affecting the Mortgaged Property or any business conducted thereon, and shall not commit or suffer any demolition, removal or material alteration of any of the Mortgaged Property (except for the replacement of Fixtures and Personal Property in the ordinary course of business, so long as items of comparable value and quality are installed free and clear of liens and encumbrances in favor of any other party except as otherwise stated herein), without the express prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, and Mortgagor shall not cause or permit to be suffered any destruction or loss (whether or not such loss is insured against) to the Personal Property or any part thereof.

5. Payment of Taxes and Prevention of Liens. Mortgagor shall pay, before delinquent or before any penalty for nonpayment attaches thereto, all taxes, assessments and charges of every nature and to whomever assessed that may now or hereafter be levied or assessed upon the Mortgaged Property or any part thereof, or upon the Property Income, Proceeds, or upon the lien or estate hereby created, whether any or all of said taxes, assessments or charges be levied directly or indirectly or as excise taxes or as income

taxes. Mortgagor may apply for tax abatements and prosecute diligently, and in good faith, claims for refund so long as: (a) no additional taxes, interest thereon or penalties are incurred thereby; (b) Mortgagor has given Mortgagee prior notice of such contest, (c) Mortgagor has deposited with Mortgagee an amount equal to at least one hundred ten percent (110%) of the total of: (i) the balance of such tax or assessment then remaining unpaid, and (ii) all interest, penalties, costs and charges accrued or accumulated thereon; and (d) no proceedings are instituted to divest Mortgagor of title to all or any portion of the Mortgaged Property. Mortgagor shall pay all sums which, if unpaid, may result in the imposition of a lien on the Mortgaged Property before such lien may attach (except that real estate taxes need not be paid prior to the due date thereof), or which may result in conferring upon a tenant of any part or all of the Mortgaged Property a right to recover such sums as prepaid rent. Notwithstanding any provision of this section to the contrary, Mortgagor shall pay any tax, charge or assessment which it might otherwise be entitled to contest if, in the reasonable opinion of Mortgagee, the Mortgaged Property is in jeopardy or in danger of being forfeited or foreclosed. Mortgagor shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Mortgagee by reason of its ownership of, or measured by amounts payable under, the Note, this Mortgage or any other Loan Document (other than income, franchise, doing business and other similar taxes), and shall pay all stamp taxes and other taxes (other than income, franchise, doing business and other similar taxes) required to be paid on the Note, this Mortgage or the other Loan Documents. If Mortgagor fails to make such payment within five (5) days after notice thereof from Mortgagee, Mortgagee may (but shall not be obligated to) pay the amount due, and Mortgagor shall reimburse Mortgagee on demand for all such advances.

6. Insurance. Mortgagor shall insure the Mortgaged Property and the operation thereof with such coverages and in such amounts as are required by the provisions of Mortgagee's policies and procedures in effect from time to time, and shall at all times keep such insurance in full force and effect and shall pay all premiums therefor annually, in advance. All such policies shall provide that they shall not be canceled, modified, or terminated without at least thirty (30) days' prior written notice to Mortgagee and Mortgagee shall be designated loss payee with respect to any hazard insurance under a standard mortgagee clause with respect thereto. Upon the date hereof and at least annually thereafter, Mortgagor shall provide Mortgagee with evidence of insurance coverages that meet Mortgagee's requirements to the satisfaction of Mortgagee and payment of all premiums therefor annually, in advance. The original or certified copies of all such policies of insurance, in form, content and manner of execution reasonably satisfactory to Mortgagee, shall be delivered to Mortgagee, and Mortgagor shall deliver to Mortgagee a new policy or certified copy thereof as replacement for an expiring policy required to be deposited hereunder together with proof of payment of the premiums therefor annually in advance at least thirty (30) days before the date of such expiration.

7. Escrow Funds. In order to secure the performance and discharge of Mortgagor's obligations hereunder, Mortgagor shall, on demand, pay to Mortgagee, in addition to the monthly installments of principal and interest under the terms of the Note and concurrently therewith, monthly until the said Note is paid, such amounts as Mortgagee from time to time estimates as necessary to create and maintain a reserve escrow fund from which to pay before the same become due: (a) all taxes, assessments, liens and charges on or against the Mortgaged Property; and (b) all premiums for insurance policies which are required by this Mortgage. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments, liens, charges and premiums. Such deposits shall not be, nor be deemed to be, trust funds and no interest shall be payable in respect thereof. Upon the occurrence of an Event of Default, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine in its sole discretion,

any amount under this section remaining to Mortgagor's credit. Mortgagee shall have no liability for deficiencies in the deposit amount or for payment of taxes, assessments, liens, charges and premiums arising from Mortgagor's failure to timely or adequately fund the deposits. Payments from such reserve fund for said purposes may be made by Mortgagee at its discretion even though subsequent owners of the property described herein may benefit thereby. Any excess funds accumulated hereunder remaining after payment of the items set forth in this section, shall be credited to the subsequent monthly payments of the same nature required hereunder and any remaining balance existing at maturity of the Note shall be credited to the principal secured hereby.

8. Casualty; Insurance Proceeds. If any part of the Mortgaged Property shall be lost, damaged or destroyed by fire or any other cause, the proceeds of any hazard insurance required hereunder shall be paid to Mortgagee. If Mortgagee delivers insurance proceeds for such loss to Mortgagor, then Mortgagor shall promptly restore the Mortgaged Property to the equivalent of its original condition as determined by Mortgagee, in accordance with the plans, drawings and specifications acceptable to Mortgagee. Mortgagee shall advance all hazard insurance proceeds for the restoration of the Mortgaged Property, so long as: (a) no Event of Default exists and is continuing hereunder; (b) such proceeds, together with any contribution provided by Mortgagor, are sufficient to restore the Mortgaged Property to its condition prior to the casualty to the satisfaction of Mortgagee; (c) at least five (5) years remain in the term of the Loan; (d) any Subsidy Contracts in effect with respect to the Mortgaged Property before the casualty shall remain in force and effect; (e) Mortgagee shall determine that, upon such restoration, the Mortgaged Property can be operating in a financially feasible manner; (f) rental interruption insurance benefits (or other revenues made available by or through Mortgagor) are available to cover the projected construction period loss in Property Income; and (g) the cost of restoration does not exceed the replacement value of the Development by more than twenty percent (20%). Mortgagee shall advance any such insurance proceeds through Mortgagee's usual and customary procedures for loan advances. Otherwise, hazard insurance proceeds shall, at the option of Mortgagee, be applied to or toward the Indebtedness secured hereby in such order as Mortgagee may determine. Notwithstanding the foregoing, if the insurer denies liability to Mortgagor, Mortgagor shall not be relieved of any obligations under Section 2 of this Mortgage. In the event of loss, Mortgagor will give immediate written notice to Mortgagee and Mortgagee is hereby authorized to make proof of loss if not made promptly by Mortgagor and, following an Event of Default, to adjust or compromise any loss under any insurance policies on the Mortgaged Property. Each insurance company is hereby authorized and directed to make payment for all losses directly to Mortgagee alone and not to Mortgagor and Mortgagee jointly. Mortgagee may deduct from such insurance proceeds any expenses incurred by Mortgagee in the collection or handling of such funds. Proceeds of all insurance shall be held by and expended for the repair or rebuilding of the Development, provided that the date specified herein for completion of the Improvements shall be amended to a date reasonably determined by the Mortgagee. Advancement of the proceeds of insurance by Mortgagee to Mortgagor hereunder shall not affect the lien of this Mortgage for the full amount secured hereby prior to such advance. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

9. Condemnation. Mortgagor shall give Mortgagee immediate notice of any actual or threatened commencement of any condemnation proceedings affecting all or any part of the Mortgaged Property or any Appurtenances thereof, including severance and consequential damage and change in grade of streets, and Mortgagor shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Upon any condemnation of the Mortgaged Property or any part thereof, the entire unpaid balance of the Indebtedness secured hereby shall, at the option of Mortgagee, at once become due and payable. Any award of damages on account of any such condemnation shall be paid to Mortgagee and such award

shall, at the option of Mortgagee, be applied to or toward the Indebtedness secured hereby in such order as Mortgagee may determine in its sole discretion, or in the case of a partial taking, at Mortgagee's discretion, may be so applied or released to Mortgagor upon such conditions as Mortgagee may prescribe to be applied to restoration of that part of the Mortgaged Property that remains, but not more than such portion of such award as may be required to restore or repair such damage or injury shall be so released, and any balance remaining shall be applied by Mortgagee to or toward the Indebtedness secured hereby in such order as Mortgagee may determine in its sole discretion. Mortgagee is hereby authorized, at its option, to commence, appear in, and prosecute in its own or Mortgagor's name, any action or proceeding relating to any condemnation and to settle or compromise any claim in connection therewith.

10. Transfer and Encumbrance of Mortgaged Property. Except as otherwise specifically provided for in this Mortgage or the Regulatory Agreement, it shall be an Event of Default hereunder and Mortgagee may, at its option, accelerate all Indebtedness secured hereby, if, without Mortgagee's prior written consent in each instance, which consent may be granted, withheld or conditionally granted in Mortgagee's sole discretion: (a) there is any sale, conveyance, hypothecation, assignment, granting of a security interest in, transfer or encumbrance of, or lien imposed upon, all or any portion of the Mortgaged Property, including any interest of Mortgagor therein; (b) there is any transfer or assignment of, or grant of any security interest in, any of the direct or indirect ownership interests in Mortgagor; or (c) there is a failure to comply with the provisions of, or there is a default under, any of the Permitted Encumbrances (or any title exception approved with Mortgagee's prior written consent) unless cured within any applicable grace period provided for in the applicable Permitted Encumbrances (or any title exception approved with Mortgagee's prior written consent). Notwithstanding the foregoing, after payment by the limited partner or member of Mortgagor of all installments of capital equity contributions to be made by the limited partner or member of Mortgagor pursuant to the organizational agreement of Mortgagor approved by Mortgagee (collectively, the "Capital Contributions"), said limited partner or member may transfer, either directly or indirectly, all or part of its ownership interests in Mortgagor without the necessity of obtaining further consent of Mortgagee, provided that (i) following any such transfer, the general partner or manager/managing member shall remain the general partner or manager/managing member of Mortgagor, (ii) Mortgagee is provided with written notice of any such transfer within thirty (30) days thereof, (iii) the transfer complies with all other applicable statutes, rules, regulations and requirements; and (iv) within six (6) months preceding any such transfer, Mortgagee has not refinanced the tax exempt bonds, the proceeds of which Mortgagee used to fund the Loan.

11. Security Agreement: Fixture Filing. Mortgagor hereby grants a security interest to Mortgagee in all assets of Mortgagor, including, without limitation, all of the Collateral, now owned by Mortgagor or acquired or arising at any time hereafter, wherever located or situated, and all products and proceeds of the foregoing, all accessions and additions thereto and all substitutions and replacements therefor for the purpose of securing all obligations of Mortgagor under the Note, this Mortgage and the other Loan Documents. This Mortgage is intended to be a security agreement pursuant to the UCC for all of the assets of Mortgagor which, under applicable law may be subject to a security interest pursuant to the UCC, and Mortgagor hereby agrees that Mortgagee is authorized, without the need of signature by Mortgagor, to file financing statements naming Mortgagor as debtor from time to time and in such form as Mortgagee may require to perfect and maintain a security interest and lien with respect to said assets of Mortgagor. THIS MORTGAGE ALSO CONSTITUTES A FINANCING STATEMENT PURSUANT TO THE TERMS OF THE UCC WITH RESPECT TO ANY PART OF THE MORTGAGED PROPERTY THAT IS OR MAY BECOME A FIXTURE UNDER APPLICABLE LAW, AND WILL BE RECORDED AS A "FIXTURE FILING" IN ACCORDANCE WITH THE UCC. Mortgagor shall pay all costs of filing

such statements, continuations, and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements that Mortgagee may reasonable require. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage will automatically attach, without further act, to all after-acquired or arising assets of Mortgagor, including, without limitation, all Appurtenances and Collateral located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof; provided, however, that upon request of Mortgagee, Mortgagor shall execute and deliver such instrument or instruments as shall reasonably be requested by Mortgagee to confirm such lien. For purposes of this financing statement: (a) Mortgagor is the "debtor" with an address at the location set forth in the opening paragraph above; (b) Mortgagee is the "secured party" with an address at the location set forth in the opening paragraph hereof; and (c) the description of the "collateral" shall be all assets and other items of personal property included in the definition of Collateral herein. Mortgagor shall give Mortgagee thirty (30) days' notice prior to changing its name or identity, provided, that this provision shall not be deemed to be Mortgagee's consent thereto. Upon and during the continuance of an Event of Default: (a) Mortgagee may take possession of the Collateral or any part thereof and take such other measures as Mortgagee deems desirable for the care, protection and preservation of the Collateral; (b) Mortgagee may direct any party liable for payment with respect to the Collateral to make such payment directly to Mortgagee, and may demand, collect and receive any such payments; and (c) Mortgagor shall, at its expense, assemble the Collateral and make the Collateral available to Mortgagee at the Premises or any other place designated by Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent at least ten (10) days prior to such sale, disposition or other action shall, except as otherwise provided by the UCC, constitute reasonable notice to Mortgagor.

12. Environmental Compliance; Indemnification. Mortgagor shall at all times comply with the terms and conditions of the Environmental Indemnification Agreement.

13. Right to Inspect. Mortgagee and its agents shall, at all times while any Indebtedness remains due and owing, have the right to enter and inspect the Mortgaged Property and the Development. In no event shall Mortgagee, its directors, officers, employees and agents have any liability to Mortgagor, its contractors or architects or any of their employees, guests, invitees or agents or to any other third party in connection with any such observation. Said observations shall be made for the sole benefit of Mortgagee, as mortgage lender, and for the purpose of administering the Loan.

14. Indemnification. Mortgagor shall indemnify and hold Mortgagee and Mortgagee's directors, officers, employees and agents harmless from and against and reimburse them for all claims, demands, liabilities, losses, obligations, damages, judgments, penalties, costs and expenses (including reasonable attorneys' fees and amounts paid in settlement) which may be imposed upon, asserted against, or incurred or paid by any of them by reason of, on account of or in connection with any act or occurrence relating to the Development or any bodily injury, death, other personal injury or property damage occurring in, upon or in the vicinity of the Development through any cause whatsoever, except that directly caused by the gross negligence or willful misconduct of Mortgagee, its directors, officers, employees or agents, as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order.

15. Litigation; Notice of Proceedings. Mortgagor agrees promptly to notify Mortgagee in writing of: (a) any suits by or against Mortgagor, Mortgagee or the Development, (b) receipt of notice of a violation of any law, statute, code, rule, regulation or ordinance from any governmental authority relating to the Mortgaged Property, (c) receipt of any notice of a default or an event of default from the holder of any other lien, encumbrance or security interest in the Mortgaged Property, or (d) commencement of any judicial or

administrative proceedings by, against or otherwise affecting Mortgagor, the Mortgaged Property, or any other entity controlling or controlled by or under common control with Mortgagor, or any other action by any creditor thereof as a result of any default under the terms of any loan. No litigation seeking the recovery of a sum in excess of \$25,000.00 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$25,000.00 or suit for specific performance be settled or compromised by Mortgagor unless prior written consent thereto has been obtained from Mortgagee. Such consent may be subject to such terms and conditions as Mortgagee may, in its sole discretion, prescribe.

16. Past Due Obligations. Mortgagor shall notify Mortgagee, in writing, in the event any Operating Obligations (as defined below) of the Development are more than sixty (60) days past due. Such notice shall state with specificity the Operating Obligations that are overdue. As used in this Section, "Operating Obligations" of the Development shall mean the usual and customary expenses of operating a residential housing development, including but not limited to, debt service, taxes, replacement reserve obligations, insurance premiums, utility payments, management fees, and payments to the providers of goods and services to the Development. Upon the issuance of such notice, Mortgagor shall either immediately escrow with Mortgagee the amount of all past due Operating Obligations, or immediately pay such obligations so that no Operating Obligations are more than thirty (30) days past due.

17. Assignment of Rentals; Right to Possession; Receiver; Leases.

(a) As part of the consideration for the Indebtedness, Mortgagor absolutely and unconditionally assigns and transfers to Mortgagee all Leases and Property Income. It is the intention of Mortgagor to establish present, absolute and irrevocable transfers and assignments to Mortgagee of all Leases and Property Income and to authorize and empower Mortgagee to collect and receive all Property Income without the necessity of further action on the part of Mortgagor. Mortgagor and Mortgagee intend the assignments and transfers of Leases and Property Income to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments and transfers of Leases and Property Income, and for no other purpose, the Leases and Property Income shall not be deemed to be a part of the Mortgaged Property.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Mortgagor shall have a revocable license to exercise all rights, power and authority granted to Mortgagor under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Property Income, to hold all Property Income in trust for the benefit of Mortgagee, and to apply all Property Income to pay the Indebtedness and the other amounts then due and payable under the other Loan Documents, including escrow payments, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, tenant improvements and other capital expenditures.

(c) If an Event of Default has occurred and is continuing, without the necessity of Mortgagee entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by applicable law, the revocable license granted to Mortgagor pursuant to this section shall automatically be revoked and terminate, and Mortgagee shall immediately have all rights, powers and authority granted to Mortgagor under

any Lease (including the right, power and authority to modify the terms of any such Lease, extend or terminate any such Lease or enter into new Leases) and, without notice, Mortgagee shall be entitled to all Property Income as it becomes due and payable, including Property Income then due and unpaid. During the continuance of an Event of Default, Mortgagor authorizes Mortgagee to collect, receive, retain, sue for and compromise any and all Property Income and hereby directs each tenant of the Mortgaged Property to pay all Property Income to, or as directed by, Mortgagee, without further consent of Mortgagor, and Mortgagor shall, upon Mortgagor's receipt of any Property Income from any sources, immediately pay and deliver the total amount of such Property Income to Mortgagee, and, until Mortgagor has paid and delivered such Property Income to Mortgagee, Mortgagor shall hold such Property Income in trust for the benefit of Mortgagee. Although the foregoing rights of Mortgagee are self-effecting, at any time during the continuance of an Event of Default, Mortgagee may make demand for all Property Income, and Mortgagee may give, and Mortgagor hereby irrevocably authorizes Mortgagee to give, notice to all tenants of the Mortgaged Property instructing them to pay all Property Income to Mortgagee. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Mortgagor any amounts that are actually paid to Mortgagee in response to such a notice. Any such notice by Mortgagee shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Mortgagee may, regardless of the adequacy of Mortgagee's security or the solvency of Mortgagor, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Mortgagor and its representatives, agents and employees therefrom, in order to perform all acts that Mortgagee, in its discretion, determines to be necessary or desirable for the management, operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Property Income (including through use of a lockbox, at Mortgagee's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Property Income, protecting the Mortgaged Property or the security of this Mortgage and the Loan, or for such other purposes as Mortgagee in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Mortgagee under this Mortgage or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Mortgagee's security or Mortgagor's solvency, and without the necessity of giving prior notice (oral or written) to Mortgagor, Mortgagee may apply to any court having jurisdiction for the appointment of a receiver for Mortgagor or the Mortgaged Property to take any or all of the actions set forth in this section. If Mortgagee elects to seek the appointment of a receiver for Mortgagor or the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Mortgagor, by its execution of this Mortgage, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Mortgagor consents to shortened time consideration of a motion to appoint a receiver. Mortgagee or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing, operating and/or maintaining the Mortgaged Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Mortgagee's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans,

and specifications relating to the Mortgaged Property, and all security deposits and prepaid Property Income, shall be surrendered to Mortgagee or the receiver, as applicable. If Mortgagee or receiver takes possession and control of the Mortgaged Property, Mortgagee or the receiver may exclude Mortgagor and its representatives, agents and employees from the Mortgaged Property.

(f) The acceptance by Mortgagee of the assignments of the Leases and Property Income pursuant to this section shall not at any time, or in any event, obligate Mortgagee to take any action under any Loan Document or to expend any money or to incur any expense. Mortgagee shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property. Prior to Mortgagee's actual entry upon and taking possession and control of the Development, Mortgagee shall not be: (i) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease), (ii) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or (iii) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Mortgage shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Mortgagor, prior to such actual entry and taking possession and control by Mortgagee of the Development.

(g) Mortgagee shall be liable to account only to Mortgagor and only for Property Income actually received by Mortgagee. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Property by reason of any act or omission of Mortgagee under this section, and Mortgagor hereby releases and discharges Mortgagee from any such liability to the fullest extent permitted by law, provided that Mortgagee shall not be released from liability that occurs as a result of Mortgagee's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Property Income are not sufficient to meet the costs of taking control of and managing, operating, and maintaining the Mortgaged Property and collecting the Property Income, any funds expended by Mortgagee for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Mortgagee or the receiver, and any application of Property Income as provided in this Mortgage, shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee under applicable law or provided for in this Mortgage or any Loan Document.

(h) Mortgagor hereby represents, warrants and covenants as follows: (i) each Lease is and shall be in full force and effect and is and shall be valid and enforceable in accordance with its terms; (ii) no rent has been or will be collected more than one (1) month in advance; (iii) except for the Permitted Encumbrances, no Lease, or any interest therein, nor Property Income has been or will be pledged, assigned, transferred, hypothecated, mortgaged, or subject to a lien or other security interest; (iv) no tenant has, and Mortgagor shall not willingly permit any tenant to have, any defense, setoff or counterclaim against Mortgagor under any Lease; (v) all Property Income due under the Leases has and will be collected and no concessions with respect thereto shall be granted by Mortgagor.

18. Mortgagee's Rights. If Mortgagor fails to perform any of its obligations under this Mortgage or any other Loan Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Mortgagee's security, rights or interests under this Mortgage or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of environmental laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Mortgagee may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Mortgagee reasonably deems necessary to perform such obligations of Mortgagor and to protect the Mortgaged Property or Mortgagee's security, rights or interests in the Mortgaged Property or the Loan, including: (a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants; (b) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property; (c) obtaining (or force-placing) the insurance required by the Loan Documents; and (d) paying any amounts required under any of the Loan Documents that Mortgagor has failed to pay. Any amounts so disbursed or paid by Mortgagee shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this section shall not be deemed to obligate or require Mortgagee to incur any expense or take any action.

19. Events of Default. Any one or more of the following events shall be defined as an "Event of Default":

(a) Failure by Mortgagor to pay when due any of the following, which failure to pay continues for thirty (30) calendar days: (i) any periodic installment of interest or principal which shall become due and payable under the Note; or (ii) the outstanding principal balance on the Note, together with interest accrued thereon, at Maturity (as defined in the Note); or (iii) any monthly escrow amount for taxes, assessments, liens, charges or insurance when due hereunder; or (iv) any other sums to be paid by Mortgagor hereunder, under the Note or under any of the Loan Documents, when due hereunder or thereunder;

(b) Failure by Mortgagor to duly keep, perform and observe any other covenant, condition or agreement in the Loan Documents, which continues for thirty (30) calendar days after Mortgagee has given Mortgagor written notice thereof;

(c) Failure to comply with the requirements set forth in (i) the Declaration, the Regulatory Agreement, the Property Management Agreement, or any of the Loan Documents (beyond any applicable cure period provided therein) with respect to multifamily residential rental housing to members of the general public of low and moderate income, or (ii) any low-income housing commitment or Subsidy Contract, or any loss or diminution in the low income housing tax credits or any historic rehabilitation tax credits applicable to or represented by Mortgagor as being available to the Development;

(d) The occurrence of a default or breach of condition (beyond any applicable cure period) under the terms of any other agreement, document or instrument relating to the Mortgaged Property or the Loan (other than the Note, this Mortgage or any of the other Loan Documents), evidencing any indebtedness, covenant, liability, obligation or undertaking due to, or made for the benefit of, Mortgagee or the Mortgaged Property, by (i) Mortgagor (or any constituent entity or individual), (ii) any endorser, surety or guarantor hereof, and/or (iii) any entity owned, legally or

beneficially, by Mortgagor and/or any endorser, surety or guarantor hereof, whether such indebtedness, covenants, liabilities, obligations or undertakings are direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, joint, several or joint and several, primary or secondary, now existing or hereafter arising;

(e) If any material inaccuracy shall exist in any of the financial statements, certificates or in any other information furnished, or to be furnished, by Mortgagor to Mortgagee pursuant to the provisions of the Loan Documents or otherwise, or any material untruth in any representation or warranty of Mortgagor contained in any of the Loan Documents;

(f) The filing by Mortgagor (or any member, manager, partner, general partner or other constituent entity or individual of Mortgagor) of any petition, arrangement, reorganization, or the like under any insolvency or bankruptcy law and such petition shall not have been vacated within forty-five (45) days after the filing thereof, or the adjudication of Mortgagor (or any member, manager, partner, general partner or other constituent entity or individual of Mortgagor) as a bankrupt in an involuntary case and such judgment or decree is not vacated or set aside within forty-five (45) days after the rendering thereof, or the making of an assignment for the benefit of creditors, or the appointment of a receiver or custodian for Mortgagor or any part of any of its properties, or a calling of a meeting of creditor or liquidating agents or offering of a composition or extension to creditors by, for or on behalf of Mortgagee (or any member, manager, partner, general partner or other constituent entity or individual of Mortgagor);

(g) Passage or enforcement of any federal, state, or local law, or the rendition of a final decision of any court in any way impairing Mortgagee's ability to charge and collect the interest stated under the Note; or

(h) Any deviation from the drawings, plans and specifications accepted by Mortgagee or other construction, renovation and/or rehabilitation requirements of Mortgagee for the Mortgaged Property in the construction, renovation and/or rehabilitation of the Mortgaged Property, or any failure to apply Loan advances received under the terms of the Loan Documents for the purposes approved by Mortgagee.

20. Remedies. If an Event of Default occurs (or at any time during the continuance of an Event of Default), all sums outstanding and unpaid under the Note and this Mortgage shall, at Mortgagee's option, or immediately and automatically upon the occurrence of an Event of Default under Section 19(f), bear interest at the Default Rate set forth in the Note and Mortgagee may, and shall be entitled to:

(a) declare without demand or notice the outstanding Indebtedness to be due and payable immediately, and upon such declaration, such Indebtedness shall immediately become and be due and payable without demand or notice and with all costs, expenses and attorneys' fees, and without relief from valuation or appraisal laws;

(b) proceed to foreclose this Mortgage or sell pursuant to applicable law the Mortgaged Property or any party thereof anything herein or in said Note to the contrary notwithstanding;

(c) the immediate appointment of a receiver of the Mortgaged Property without regard to the value of the Mortgaged Property or the solvency of any person or persons liable for the payment

of the Loan and regardless of whether Mortgagee has an adequate remedy at law and, whether or not a receiver has been appointed, Mortgagee may proceed to collect the rents and benefits of said Mortgaged Property and apply the same against the Indebtedness;

(d) institute and maintain such suits and proceedings and do such acts as Mortgagee may deem advisable to prevent any impairment of the Mortgaged Property, preserve and protect its interest in the Mortgaged Property, and restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest;

(e) in the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial case or proceedings affecting Mortgagor, its creditors or its property, to the extent permitted by law, file such proofs of claim and other documents as may be necessary or advisable in order to have Mortgagee's claim(s) allowed in such case or proceedings for the entire Indebtedness, at the date of the institution of such case or proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date;

(f) complete the Improvements on the Mortgaged Property in accordance with the drawings, plans and specifications previously accepted by Mortgagee with such changes as Mortgagee shall deem appropriate, all at the risk, cost and expense of Mortgagor;

(g) discontinue at any time any work commenced on the Improvements;

(h) engage builders, contractors, engineers, architects and others for the purpose of furnishing labor, material and equipment in connection with the Improvements, which personnel may, but need not, be the same as those engaged by Mortgagor;

(i) pay, compromise or settle all bills or claims incurred in connection with the Improvements;

(j) exercise its rights as a secured party under the UCC; and

(k) take (or refrain from taking) such action as Mortgagee may from time to time determine, at Mortgagor's sole cost and expense, and exercise any of its rights at law or in equity, options and remedies provided under the Loan Documents or otherwise afforded by applicable law and make all decisions, judgments and determinations under this Mortgage and the other Loan Documents in its sole discretion.

21. Cumulative Rights. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage or any other Loan Document is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other Loan Document, or now or hereafter existing at law, in equity or by statute. Except as otherwise expressly provided herein, Mortgagee may exercise its rights, options and remedies and may make all decisions, judgments and determinations under this Mortgage and the other Loan Documents in its sole discretion. Nothing in this Mortgage shall be construed as obligating Mortgagee to take any action or incur any obligation or liability with respect to the

Mortgaged Property or any business or activities conducted thereon or in connection therewith, and all rights, powers and remedies given to Mortgagee are for its benefit and shall and may be exercised in such order and in such combination as Mortgagee in its sole discretion may from time to time decide.

22. No Waiver. No consent or waiver, express or implied, by Mortgagee to or of any Event of Default by Mortgagor shall be construed as a consent or waiver to or of any other Event of Default at the same time or upon any future occasion.

23. Expenses. Mortgagor shall pay all fees and costs for the following: (a) if an Event of Default occurs, preparation for enforcement of this Mortgage or any of the other Loan Documents, whether or not suit or other action is actually commenced or undertaken; (b) enforcement of this Mortgage or any of the other Loan Documents or any act taken to defend or uphold the lien granted by this Mortgage; (c) court, administrative or other legal proceedings of any kind to which Mortgagee may be a party, either as plaintiff or defendant, by reason of the Note, this Mortgage or any other Loan Document; (d) preparation for and actions taken in connection with Mortgagee's taking possession of the Mortgaged Property; (e) negotiations with Mortgagor, in connection with the existence or cure of any Event of Default; (f) the transfer of the Mortgaged Property in lieu of foreclosure; and (g) expenses incurred by Mortgagee in connection with the acceptance by Mortgagee of actions taken or proposed to be taken by Mortgagor, its beneficiary, or other person or entity for which acceptance is required by the terms of this Mortgage or any other instrument securing the Note. Mortgagor will, upon demand by Mortgagee, reimburse Mortgagee for all such expenses which have been incurred or which shall be incurred by it. Mortgagee may (a) appear in and defend any action or proceeding, in the name and on behalf of either Mortgagor or Mortgagee, in which Mortgagee is named or which Mortgagee in its reasonable discretion determines may adversely affect the Mortgaged Property, this Mortgage, the lien hereof or any other Loan Document; and (b) institute any action or proceeding which Mortgagee in its sole discretion determines should be instituted to protect or defend its interest in the Mortgaged Property or its rights under or the lien of this Mortgage or any other Loan Document. Mortgagor agrees to pay or reimburse Mortgagee on demand for all advances and expenses (including reasonable attorneys' fees) relating to or incurred by Mortgagee in connection with any such action or proceeding.

24. Attorney-In-Fact. Mortgagor hereby irrevocably constitutes and appoints Mortgagee, which constitution and appointment shall be coupled with an interest, or any agent designated by Mortgagee, for so long as this Mortgage remains undischarged of record, as agent and attorney-in-fact of Mortgagor to execute, acknowledge, seal and deliver all instruments, agreements, deeds, certificates and other documents of every nature and description, for and on behalf of and in the name of Mortgagor, and to take such actions Mortgagee deems advisable in order to carry out or implement the exercise of Mortgagee's rights hereunder and under the other Loan Documents.

25. Marshaling. Mortgagee shall not be compelled to release, or be prevented from foreclosing or enforcing, this Mortgage as to all or any part of the Mortgaged Property, unless the entire Indebtedness shall be paid. Mortgagee shall not be required to accept any part or parts of the Mortgaged Property, as distinguished from the entire whole thereof, as payment of the Indebtedness to the extent of the value of any apportionment of the Indebtedness to or among any separate parts of the Mortgaged Property. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Mortgagee or by any other party, Mortgagee shall have the right to determine in its sole discretion the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Mortgage and the other Loan Documents (including a sale of the Premises in one (1) parcel as an entirety or in separate lots or parcels at the same or different times), and the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the

exercise of such remedies. Mortgagor, for itself and all who may claim by, through or under it, and any party who now or in the future acquires a security interest, lien or other encumbrance on or in the Mortgaged Property and who has actual or constructive notice of this Mortgage, waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times in connection with the exercise of the remedies provided in this Mortgage and the other Loan Documents.

26. Limitation on Liability. In any action or proceeding brought on the Mortgage, the Note, or any of the other Loan Documents in which a money judgment is sought, Mortgagee will look solely to the Mortgaged Property and Mortgagor's interest in the Mortgaged Property and in all present and future Leases and Property Income, provided that this shall not impair Mortgagee's right to (i) seek and obtain a money or deficiency judgment against Mortgagor or any partner, member or shareholder of Mortgagor, or against any member, shareholder or partner of the general partner of the Mortgagor, to the extent set out in the Note, or to seek a deficiency judgment against Mortgagor in order to fully realize any security for the Indebtedness or to commence any other appropriate action or proceeding in order for Mortgagee to exercise its remedies against any security for the Indebtedness, (ii) seek and obtain a judgment for any Proceeds which Mortgagee would otherwise be entitled to under this Mortgage or the other Loan Documents, and (iii) enforce the provisions of the Environmental Indemnity and any rights and remedies of Mortgagee thereunder. To the maximum extent permitted by applicable law if the Mortgaged Property is sold for an amount less than the amount of outstanding Indebtedness, then the deficiency shall be determined by the purchase price at the sale(s) of the Mortgaged Property. Interest on any deficiency judgment shall accrue at the Default Rate.

27. Intentionally Omitted.

28. Lien and Right Of Setoff. Mortgagor hereby gives the Mortgagee a lien and right of setoff for all of Mortgagor's liabilities hereunder upon and against all deposits, credits, and property of Mortgagor and Mortgagor's endorsers or guarantors other than the Premises and any other collateral of Mortgagor now or hereafter in possession or control of Mortgagee or in transit to it. Mortgagee may, at any time after an Event of Default has occurred and continued beyond any applicable notice and cure period, apply the same or any part thereof to any liability of Mortgagor to Mortgagee even though un-matured.

29. Notices. Any notice or other communication in connection with this Mortgage shall be in writing and (a) deposited in the United States mail, postage prepaid, by registered or certified mail; or (b) hand delivered by any commercially recognized courier service or overnight delivery service, such as FedEx; or (c) sent by facsimile transmission if a fax number is designated below, addressed as follows:

If to Mortgagor: RMS 49 Prince Street LLC
1 Landmark Square, Suite 220
Stamford, CT 06901
Attention: Randall M. Salvatore
Fax: (____) _____

with a copy to: Wofsey Rosen Kveskin & Kuriansky LLP
600 Summer Street
Stamford, CT 06901
Attention: Steven D. Grushkin, Esq.

If to Mortgagee: Connecticut Housing Finance Authority
999 West Street
Rocky Hill, Connecticut 06067-4005
Attention: Legal Department

Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above. A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address; or (iii) if facsimile transmission is a permitted means of giving notice, upon receipt as evidenced by confirmation. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

30. Prejudgment Remedy Waiver. MORTGAGOR REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF MORTGAGOR ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. THE MORTGAGOR HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES MORTGAGEE MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS. MORTGAGOR FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH MORTGAGEE'S EXERCISE OF ANY PREJUDGMENT REMEDY. MORTGAGOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

31. Waiver of Jury Trial. MORTGAGOR WAIVES TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTION OF WHICH THE NOTE AND THIS MORTGAGE ARE A PART AND/OR IN THE DEFENSE OR ENFORCEMENT BY MORTGAGEE OR ANY OF MORTGAGEE'S RIGHTS AND REMEDIES HEREUNDER OR UNDER APPLICABLE LAW. MORTGAGOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND

VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

32. Open-End Mortgage. This is an "Open-End Mortgage" and the holder hereof shall have all of the rights, powers and protection to which the holder of any Open-End Mortgage is entitled under Connecticut law. Mortgagee may, in its discretion, make future advances to or for the benefit of Mortgagor or the Mortgaged Property. Any future advance, and the interest payable thereon, shall be secured by this Mortgage as evidenced by the Note. At no time shall the principal amount of the Indebtedness secured by this Mortgage exceed the original principal amount of the Note, nor shall the maturity of any future advance secured hereby extend beyond the date the final principal payment is due on the Note. Mortgagor hereby waives, for itself or any of its assigns who assume this Mortgage, any right it may have under Connecticut General Statutes Section 49-2(c)(7), as amended, or otherwise to terminate Mortgagee's right to make optional future advances, including advances by Mortgagee pursuant to this Mortgage and the Loan Documents.

33. Further Assurances. Mortgagor shall do, execute, acknowledge and deliver, at its sole cost and expense, such further acts, instruments or documentation, including additional Mortgagee title insurance policy endorsements (or title policies if the title company issuing the original Mortgagee title insurance policy is no longer solvent and a solvent insurer has not assumed the obligations and liabilities under the original policy), as Mortgagee may reasonably require from time to time to better assure, transfer and confirm unto Mortgagee the rights now or hereafter intended to be granted to Mortgagee under this Mortgage or any of the Loan Documents.

34. Waiver of Redemption; No Hindrance. To the maximum extent permitted by applicable law, Mortgagor (i) shall not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisal, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force or in order to prevent or hinder the enforcement or foreclosure of this Mortgage, (ii) for itself and all persons who may claim by, through or under Mortgagor, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Mortgage, and (iii) shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted.

35. Mortgagee-in-Possession. The exercise by Mortgagee of any of its rights and remedies under this Mortgage shall not be construed to make Mortgagee a mortgagee-in-possession of the Mortgaged Property so long as Mortgagee has not itself entered into actual possession of the Premises.

36. Lost Instruments. If any Loan Document shall be lost, destroyed or mutilated, Mortgagor shall execute and deliver to Mortgagee another original of such Loan Document.

37. Miscellaneous.

(a) Neither this Mortgage nor any term hereof may be altered, amended, modified, discharged or terminated orally or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

(b) Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee shall bind and inure to the benefit of their respective heirs, successors and assigns, whether so expressed or not, provided, however, that Mortgagor may not assign its rights or obligations under this Mortgage without the prior written consent of Mortgagee, which consent shall be in Mortgagee's sole discretion. All terms contained herein shall be construed, whenever the context of this Mortgage so requires, so that the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

(c) This Mortgage shall be governed by the laws of the State of Connecticut without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Mortgagor agrees that any controversy arising under or in relation to the Loan, this Mortgage and the other Loan Documents shall be litigated exclusively in the State of Connecticut. The state and federal courts and authorities with jurisdiction in the State of Connecticut shall have exclusive jurisdiction over all controversies that arise under or in relation to the Loan, this Mortgage and the other Loan Documents. Mortgagor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

(d) Notwithstanding anything contained herein to the contrary, the parties are not engaged in a partnership, joint venture or association and nothing contained herein shall be construed to imply the same.

(e) Notice: False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.

(f) So long as any Indebtedness shall remain unpaid, fee title to and any other estate in the Mortgaged Property shall not merge, but shall be kept separate and distinct, notwithstanding the union of such estates in any person or entity.

(g) The Mortgage and the Loan Documents supersede all prior agreements between the parties with respect to the Loan transaction which they evidence, whether oral or written, including without limitation, all correspondence between the parties and between counsel for their respective parties. The Mortgage and the Loan Documents constitute the sole and entire agreement between the parties hereto with respect to the subject Loan transaction, and the rights, duties, and obligations of the parties with respect thereto. In executing this Mortgage, Mortgagor acknowledges that Mortgagor is not relying on any statement, representation, warranty, covenant or agreement of any kind (written or oral) made by Mortgagee or any employee or agent of Mortgagee, except for the agreements of Mortgagee set forth in the Loan Documents.

(h) Mortgagor hereby agrees that Mortgagor: (i) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s) (A) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, (B) was not abated within the time fixed by the citations, and (C) such citation has not been set aside; and (ii) has not received one or more criminal convictions related to the injury or death of any employee in such three year period. Mortgagor agrees to comply with the Civil Rights

Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, incorporated herein by reference.

(i) All references in this Mortgage to "foreclosure" shall be deemed to include judicial foreclosure, non-judicial foreclosure, strict foreclosure, foreclosure by sale and the taking of a deed in lieu of foreclosure.

(j) Captions and headings herein are for convenience only and shall be disregarded in construing this Mortgage. All references to statutes and regulations shall mean such statutes and regulations as amended from time to time. Unless otherwise provided, if Mortgagee's approval, consent, determination, designation, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, consent, determination, designation, selection, estimate, action or decision shall be made in Mortgagee's sole discretion. The term "including" means "including, but not limited to" and "including, without limitation" and is for example only and not a limitation.

(k) Time is of the essence with respect to each and every obligation of Mortgagor herein.

NOW THEREFORE, if the obligations, which in accordance with the provisions hereof shall be secured hereby, and any extensions or renewals thereof and any and all other amounts due hereunder or under the Note, this Mortgage and the Loan Documents shall be well and truly paid according to their tenor, and if all agreements and provisions contained herein and in the Note, this Mortgage and the Loan Documents are fully kept and performed, then this Mortgage shall become null and void, otherwise to remain in full force and effect.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, Mortgagor has hereunto set its hand this 26 day of May, 2020.

Signed, Sealed and Delivered
in the Presence of

[Signature]
Name: KAREN NUNEZ

[Signature]
Name: Genesis Bopur

RMS 49 PRINCE STREET LLC

By: [Signature]
Randall M. Salvatore
Its Manager
Duly Authorized

STATE OF CONNECTICUT)

COUNTY OF Fairfield)

ss. _____

May 26, 2020

Personally appeared, Randall M. Salvatore, Manager of RMS 49 PRINCE STREET LLC, a Connecticut limited liability company, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as Manager, and the free act and deed of RMS 49 PRINCE STREET LLC, and that said instrument was signed on behalf of and with the authority of said limited liability company, before me.

[Signature]
Commissioner of the Superior Court
Notary Public

KAREN L. NUNEZ
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 6/30/2021

Exhibit A

[Property Description]

A certain piece or parcel located in the City and County of New Haven and State of Connecticut containing 20,500 square feet \pm 0.47062 Acres \pm and being shown on a map entitled, "ALTA/NSPS LAND TITLE SURVEY 49 PRINCE STREET, NEW HAVEN CONNECTICUT", prepared by LANGAN CT, INC., 555 Long Wharf Drive, New Haven, CT 06511, Scale 1"=20' dated February 13, 2020, rev. 4/30/20 on file or to be filed in the New Haven Town Clerk's office, said parcel being more particularly bounded and described as follows:

Beginning at a point marking the intersection of the northwesterly street line of Prince Street and the easterly street line of Gold Street;

Thence running North 35° 39' 49" West, 111.45 feet along said easterly street line of Gold Street;

Thence running North 43° 41' 16" East, 152.15 feet along land now or formerly of Saint Anthony's Church;

Thence running North 46° 41' 41" East, 18.09 feet and South 42° 44' 24" East, 120.83 feet along land now or formerly of Yale University;

Thence running South 47° 26' 21" West, 183.67 feet along the northwesterly street line of Prince Street to the point and place of beginning.

Together with a Parking Space Lease from RMS Gold Street LLC to RMS 49 Prince Street LLC dated the date hereof and recorded in the New Haven Land Records.

Exhibit B

[Construction Loan Note & Permanent Loan Note]

Construction Loan Promissory Note

\$2,250,000.00

May 29, 2020

Rocky Hill, Connecticut

FOR VALUE RECEIVED, the undersigned, RMS 49 PRINCE STREET LLC, a limited liability company organized and existing under the laws of the State of Connecticut with an office and principal place of business at 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 (the "Maker"), promises to pay to the order of the **CONNECTICUT HOUSING FINANCE AUTHORITY** (the "Holder"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, at its office at 999 West Street, Rocky Hill, Connecticut 06067, or at such other place as the Holder hereof may designate in writing, the principal sum of TWO MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$2,250,000.00), or so much thereof as shall be advanced hereunder and pursuant hereto, and pursuant to that certain Construction Loan and General Escrow Agreement dated as of even date herewith (the "Loan & Escrow Agreement") and pursuant to that certain Open-End Mortgage Deed (Construction), Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith (the "Mortgage"), together with interest thereon as hereinafter set forth (the "Construction Loan"; the Construction Loan, together with the Permanent Loan (as such term is defined in the Mortgage), collectively, the "Loan").

This Construction Loan Promissory Note (this "Note") is secured by the Mortgage on certain real property known as 49 Prince Street, located at 49 Prince Street, New Haven (the "Development"), upon which Maker agrees to construct, renovate and/or rehabilitate on said Development a thirty (30) unit multifamily rental housing development in strict conformity with the plans, drawings and specifications now in the possession of the Holder.

During the term of this Note, interest shall accrue on the outstanding principal balance at the rate of three and three quarters percent (3.75%) per annum, and interest only shall be due and payable monthly, in arrears, which payments shall commence on June 1, 2020 and shall continue on the first (1st) day of each and every month thereafter through and including June 1, 2022. Any remaining unpaid indebtedness hereunder, together with any and all unpaid interest at the aforesaid rate shall be due and payable on June 1, 2022 ("Maturity").

At any time prior to the first (1st) day of the sixteenth (16th) calendar month following the date hereof, this Note shall not be payable in advance of any due date without the prior written consent of the Holder. Any prepayment subsequent to such date shall be in minimal increments of no less than \$100,000 and shall only be permitted if all principal has been advanced hereunder (including, without limitation, any advance amounts held in escrow by Holder) no later than the last day of the calendar month prior to such prepayment.

Interest hereunder shall be calculated based upon and charged for the actual days elapsed during a 365 or 366 day year, as applicable (and the actual number of days per calendar month).

Advances of funds hereunder shall be made specifically in reliance upon the continued satisfaction of all promises, agreements, representations, pledges and covenants made by Maker, as set forth more fully in this

Note, the Mortgage, the Loan & Escrow Agreement and in all other documents executed in connection with the Loan (collectively, the "Loan Documents"). Subject to the provisions of the Loan Documents, the Holder agrees to make advances under this Note to Maker in installments, pari passu proportionally with the amounts advanced under that certain Permanent Loan Promissory Note of even date executed by Maker (the "Permanent Loan Note"), as the work progresses, the time and amount of each advance to be at the sole discretion and upon the estimate of said Holder so that when all of the work on said Development shall have been completed to the satisfaction of said Holder, said Holder shall then pay over to Maker any balance necessary to complete the full Loan in the amount set forth in this Note.

As set forth in the Loan Documents, in the event that the Final Closing requirement has not occurred and been satisfied by June 1, 2022, Mortgagor shall pay to Mortgagee a non-refundable fee in the amount of \$5,000 on the first (1st) day of each subsequent month (or partial month) that a Final Closing is delayed for a period of up to six (6) months. If the Final Closing has not occurred by the end of said six (6) month period, it shall be considered an Event of Default under the Loan Documents.

The principal and interest payable hereunder shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts at the time of payment.

Each monthly installment due under this Note (and as set out in the Loan Documents) shall be applied by Holder to the following items in the following order:

1. taxes, payments in lieu of taxes, assessments, water and sewer charges and other public impositions;
2. hazard and liability insurance premiums;
3. late charges, if any, due pursuant to this Note;
4. accrued interest on this Note;
5. payments to the Reserve for Replacements (as defined in Loan & Escrow Agreement) and other escrows and reserves as may be required by the Loan Documents;
6. all other amounts due and owing under the Loan Documents; and
7. principal.

Maker also agrees to pay (i) all taxes or duties assessed upon said sums or this Note against the Holder hereof, the debt evidenced hereby or the Mortgage and upon the Development, and (ii) all reasonable costs, expenses and attorneys' fees incurred by the Holder in any proceeding for collection of the debt evidenced hereby or any foreclosure of the Mortgage, or in protecting or sustaining the lien of such Mortgage or any litigation or controversy arising from or connected with this Note or the Mortgage.

Holder may collect a late charge not to exceed four percent (4%) of any monthly installment which is not paid within fifteen (15) days of the due date thereof to cover the extra expense involved in handling such delinquent payment.

The occurrence of an Event of Default (as defined in the Mortgage) shall render the whole of this Note immediately due and payable at the option of the Holder hereof, or immediately and automatically upon the occurrence of an Event of Default under Section 19(f) of the Mortgage. Failure to exercise said option shall not constitute a waiver of the right of said Holder to exercise said option at a later time.

Holder shall notify Maker of the occurrence of an Event of Default.

Each and every Maker, endorser, guarantor and surety of this Note and all others who may become liable for all or any part of the obligations evidenced by this Note do hereby waive demand, presentment for payment, protest, notice of protest and notice of nonpayment of this Note and do hereby consent to any number of renewals or extensions of the time of payment thereof and of the time for advances under this Note and agree that any such renewals or extensions may be made without notice to any of said parties and without affecting their liability hereon, and further consent to the release of any part or parts of the security for the payment hereof and to the release of any party or parties liable hereon, all without affecting the liability of any other persons, firms, or corporations liable for the payment of this Note.

Maker agrees that all expenditures by the Holder on account of the Construction Loan (other than principal), and the principal of this Note after Maturity or in the event of an Event of Default that continues for more than thirty (30) days, shall bear interest at the Default Rate. The "Default Rate" shall be the lesser of (i) the highest rate allowed by applicable law or (ii) a rate which is three (3) percentage points per annum in excess of the highest rate specified in this Note.

In the event that at any time any payment received by the Holder hereunder shall be deemed by final order of court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Holder, then, in any such event, the obligation to make such payment shall survive any cancellation of this Note and/or return thereof to Maker, shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Note, but shall remain and /or automatically be reinstated, as applicable, as a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and the amount of such payment shall bear interest at the Default Rate from the date of such final order until repaid hereunder.

Maker hereby gives the Holder a lien and right of setoff for all of Maker's liabilities hereunder upon and against all deposits, credits, and property of the Maker, endorsers or guarantors in the hands of the Holder, other than the Development, and any other collateral of the Maker, endorsers or guarantors now or hereafter in possession or control of Holder or in transit to it. Upon the occurrence of an Event of Default (as defined in the Mortgage), Holder may, at any time, apply the same or any part thereof to any liability of Maker to the Holder even though un-matured.

If the Holder hereof shall not have advanced, within the term of this Note, all sums to be advanced according to this Note, there shall be deducted from the amount due on this Note such sums as have not been advanced, and this Note shall then evidence an indebtedness of the principal amount herein stated less such sum as has not been advanced.

This Note shall not be assumed without the prior written consent of the Holder.

Should this Note be signed by more than one maker, references in this Note to Maker or maker in the singular shall include the plural and all obligations herein contained shall be the joint and several obligations of each maker hereof.

MAKER AND EACH GUARANTOR AND ENDORSER HEREOF REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF MAKER ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES HOLDER MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH HOLDER'S EXERCISE OF ANY PREJUDGMENT REMEDY. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

Notwithstanding anything to the contrary, express or implied, contained in this Note or any of the Loan Documents, it is an express condition upon which this Note and all other Loan Documents are given and accepted that neither the Maker nor any partner, general or limited, nor any member, present or future, nor any individual, limited liability company, partnership or corporation, which now owns, or in the future may own, the Development will ever be liable for the obligations of the Maker under this Note or for any obligation under any of the Loan Documents, except to the limited extent specifically set forth below; and the Holder, for itself and its successors and assigns, agrees to look solely and exclusively to the Development and to the other security, deposits and credits given as security for the repayment of the Construction Loan and for the payment and performance of the Maker's obligations under the Loan Documents.

In any action or proceeding brought on the Mortgage, the Note, or any of the other Loan Documents in which a money judgment is sought, the Holder shall look solely to the Development and Maker's interest in the Development and in all present and future leases and income from the Development, provided that this shall not impair the Holder's right to seek and obtain a money or deficiency judgment against Maker or any general partner, member or shareholder of Maker, or against any member, shareholder or partner of any general partner of the Maker, in an action based upon:

(i) fraud, misappropriation of funds, or material misrepresentation in connection with any of the Loan Documents, or any affidavit, certification, warranty or representation given by Maker or any general partner, manager, member or shareholder of Maker or by any member, manager, shareholder or partner of any general partner of Maker;

(ii) recovery of any condemnation, insurance, or other Proceeds (as defined in the Mortgage) or similar funds or payments attributable to the Development which, under the terms of any of the Loan Documents, should have been paid to the Holder;

18-013
49 Prince Street
Open End Construction Mortgage Deed
Form Revision Date: 8/6/19

PERMANENT LOAN PROMISSORY NOTE

\$1,500,000.00
May 29, 2020
Rocky Hill, Connecticut

FOR VALUE RECEIVED, the undersigned, RMS 49 PRINCE STREET LLC, a limited liability company organized and existing under the laws of the State of Connecticut with an office and principal place of business at 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 (the "Maker"), promises to pay to the order of the **CONNECTICUT HOUSING FINANCE AUTHORITY** (the "Holder"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, at its office at 999 West Street, Rocky Hill, Connecticut 06067, or at such other place as the Holder hereof may designate in writing, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100THS DOLLARS (\$1,500,000.00), or so much thereof as shall be advanced hereunder and pursuant hereto, and pursuant to that certain Construction Loan and General Escrow Agreement dated as of even date herewith (the "Loan & Escrow Agreement") and pursuant to that certain Open-End Mortgage Deed (Construction), Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith (the "Mortgage"), together with interest thereon as hereinafter set forth (the "Permanent Loan"; the Permanent Loan, together with the Construction Loan (as such term is defined in the Mortgage), collectively, the "Loan").

This Permanent Loan Promissory Note (this "Note") is secured by the Mortgage on certain real property known as 49 Prince Street, located at 49 Prince Street, New Haven (the "Development"), upon which Maker agrees to construct, renovate and/or rehabilitate on said Development a thirty (30) unit multifamily rental housing development in strict conformity with the plans, drawings and specifications now in the possession of the Holder.

The period commencing on the date hereof and ending on May 31, 2022 is hereinafter referred to as the "Interest-Only Period" and the period commencing on June 1, 2022 and continuing until Maturity (as hereinafter defined) is hereinafter referred to as the "Amortization Period".

Interest shall accrue hereunder on the outstanding principal balance at the rate of three and one-half percent (3.5%) per annum, and: (i) during the Interest-Only Period, interest only shall be due and payable monthly, in arrears, which payments shall commence on the first (1st) day of the first (1st) month after the date hereof and shall continue on the first (1st) day of each and every month thereafter through and including June 1, 2022 (the "Final Interest-Only Payment Date"); and (ii) during the Amortization Period, principal and interest, in arrears, shall be due and payable in consecutive equal monthly installments in an amount sufficient to amortize the principal amount advanced under the Permanent Loan over a forty (40) year term in accordance with a forty (40) year amortization schedule, commencing on July 1, 2022 and continuing on the first (1st) day of each calendar month thereafter, until the entire principal sum, with interest, has been fully paid. Any and all remaining unpaid indebtedness, together with any and all unpaid interest at the aforesaid rate shall be due and payable on June 1, 2062 ("Maturity").

This Note shall not be payable in advance of the due date or assumed without the prior written consent of the Holder.

Interest hereunder shall be calculated based upon, and charged for, the actual days elapsed during a 365 or 366 day year, as applicable (and the actual number of days per calendar month) during the Interest-Only Period, a 360 day year (30 day months) during the Amortization Period.

Advances of funds hereunder shall be made specifically in reliance upon the continued satisfaction of all promises, agreements, representations, pledges and covenants made by Maker, as set forth more fully in this Note, the Mortgage, the Loan & Escrow Agreement and in all other documents executed in connection with the Loan (collectively, the "Loan Documents"). Subject to the provisions of the Loan Documents, the Holder agrees to make advances under this Note to Maker in installments *pari passu* proportionally with the amounts advanced under the Construction Loan Note (as such term is defined in the Mortgage), as the work progresses, the time and amount of each advance to be at the sole discretion and upon the estimate of said Holder so that when all of the work on said Development shall have been completed to the satisfaction of said Holder, said Holder shall then pay over to Maker any balance necessary to complete the full Loan in the amount set forth in this Note.

Notwithstanding anything contained herein to the contrary, in the event all Loan proceeds have not been advanced on the Final Interest-Only Payment Date, such remaining balance of Permanent Loan proceeds shall be advanced by the Holder, for Maker's benefit, into a Permanent Loan Proceeds Escrow (as defined in the Loan & Escrow Agreement) to be held and disbursed by Holder pursuant to the terms of the Loan & Escrow Agreement.

The principal and interest payable hereunder shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts at the time of payment.

Each monthly installment due under this Note (and as set out in the Loan Documents) shall be applied by Holder to the following items in the following order:

1. taxes, payments in lieu of taxes, assessments, water and sewer charges and other public impositions;
2. hazard and liability insurance premiums;
3. late charges, if any, due pursuant to this Note;
4. accrued interest on this Note;
5. payments to the Reserve for Replacements (as defined in the Loan & Escrow Agreement) and other escrows and reserves as may be required by the Loan Documents;
6. all other amounts due and owing under the Loan Documents (as hereafter defined); and
7. principal.

Maker also agrees to pay (i) all taxes or duties assessed upon said sums or this Note against the Holder hereof, the debt evidenced hereby or the Mortgage and upon the Development, and (ii) all reasonable costs, expenses and attorneys' fees incurred by the Holder in any proceeding for collection of the debt evidenced hereby or any foreclosure of the Mortgage, or in protecting or sustaining the lien of such Mortgage or any litigation or controversy arising from or connected with this Note or the Mortgage.

Holder may collect a late charge not to exceed four percent (4%) of any monthly installment which is not paid within fifteen (15) days of the due date thereof to cover the extra expense involved in handling such delinquent payment.

The occurrence of an Event of Default (as defined in the Mortgage) shall render the whole of this Note immediately due and payable at the option of the Holder hereof, or immediately and automatically upon the occurrence of an Event of Default under Section 19(f) of the Mortgage. Failure to exercise said option shall not constitute a waiver of the right of said Holder to exercise said option at a later time.

Holder shall notify Maker of the occurrence of an Event of Default.

Each and every Maker, endorser, guarantor and surety of this Note and all others who may become liable for all or any part of the obligations evidenced by this Note do hereby waive demand, presentment for payment, protest, notice of protest and notice of nonpayment of this Note and do hereby consent to any number of renewals or extensions of the time of payment thereof and of the time for advances under this Note and agree that any such renewals or extensions may be made without notice to any of said parties and without affecting their liability hereon, and further consent to the release of any part or parts of the security for the payment hereof and to the release of any party or parties liable hereon, all without affecting the liability of any other persons, firms, or corporations liable for the payment of this Note.

Maker agrees that all expenditures by the Holder on account of the Loan (other than principal), and the principal of this Note after Maturity or in the event of an Event of Default that continues for more than thirty (30) days, shall bear interest at the Default Rate. The "Default Rate" shall be the lesser of (i) the highest rate allowed by applicable law or (ii) a rate which is three (3) percentage points per annum in excess of the highest rate specified in this Note.

In the event that at any time any payment received by the Holder hereunder shall be deemed by final order of court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Holder, then, in any such event, the obligation to make such payment shall survive any cancellation of this Note and/or return thereof to Maker, shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Note, but shall remain and /or automatically be reinstated, as applicable, as a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and the amount of such payment shall bear interest at the Default Rate from the date of such final order until repaid hereunder.

Maker hereby gives the Holder a lien and right of setoff for all of Maker's liabilities hereunder upon and against all deposits, credits, and property of the Maker, endorsers or guarantors in the hands of the Holder, other than the Development, and any other collateral of the Maker, endorsers or guarantors now or hereafter in possession or control of Holder or in transit to it. Upon the occurrence of an Event of Default (as defined in the Mortgage), Holder may, at any time, apply the same or any part thereof to any liability of Maker to the Holder even though un-matured.

If the Holder hereof shall not have advanced, within the period set forth below within which advances shall be made, all sums to be advanced according to this Note, there shall be deducted from the amount due on this Note such sums as have not been advanced, and this Note shall then evidence an indebtedness of the principal amount herein stated less such sum as has not been advanced.

This Note shall not be assumed without the prior written consent of the Holder.

Should this Note be signed by more than one maker, references in this Note to Maker or maker in the singular shall include the plural and all obligations herein contained shall be the joint and several obligations of each maker hereof.

MAKER AND EACH GUARANTOR AND ENDORSER HEREOF REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A "COMMERCIAL TRANSACTION" AS DEFINED BY THE GENERAL STATUTES OF THE STATE OF CONNECTICUT. MONIES NOW OR IN THE FUTURE TO BE ADVANCED TO OR ON BEHALF OF MAKER ARE NOT AND WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF HEREBY WAIVES, TO THE MAXIMUM EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, ALL RIGHTS TO PRIOR NOTICE AND PRIOR COURT HEARING OR PRIOR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES HOLDER MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH HOLDER'S EXERCISE OF ANY PREJUDGMENT REMEDY. MAKER AND EACH GUARANTOR AND ENDORSER HEREOF ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

Notwithstanding anything to the contrary, express or implied, contained in this Note or any of the Loan Documents, it is an express condition upon which this Note and all other Loan Documents are given and accepted that neither the Maker nor any partner, general or limited, nor any member, present or future, nor any individual, limited liability company, partnership or corporation, which now owns, or in the future may own, the Development will ever be liable for the obligations of the Maker under this Note or for any obligation under any of the Loan Documents, except to the limited extent specifically set forth below; and the Holder, for itself and its successors and assigns, agrees to look solely and exclusively to the Development and to the other security, deposits and credits given as security for the repayment of the Permanent Loan and for the payment and performance of the Maker's obligations under the Loan Documents.

In any action or proceeding brought on the Mortgage, the Note, or any of the other Loan Documents in which a money judgment is sought, the Holder shall look solely to the Development and Maker's interest in the Development and in all present and future leases and income from the Development, provided that this shall not impair the Holder's right to seek and obtain a money or deficiency judgment against Maker or any general partner, member or shareholder of Maker, or against any member, shareholder or partner of any general partner of the Maker, in an action based upon:

- (i) fraud, misappropriation of funds, or material misrepresentation in connection with any of the Loan Documents, or any affidavit, certification, warranty or representation given by

Maker or any general partner, manager, member or shareholder of Maker or by any member, manager, shareholder or partner of any general partner of Maker;

- (ii) recovery of any condemnation, insurance, or other Proceeds (as defined in the Mortgage) or similar funds or payments attributable to the Development which, under the terms of any of the Loan Documents, should have been paid to the Holder;
- (iii) recovery of any tenant security deposits, advance or prepaid rent or other similar sums paid to, or held by, Maker or any other party in connection with the operation of the Development, provided a final judgment is entered against Maker by a court of competent jurisdiction with respect to the same;
- (iv) recovery of any compensation paid, provided, or owed to an affiliate or manager in connection with any agreement which does not comply with the terms of the Mortgage;
- (v) any breach or violation of representations, warranties, covenants (other than the covenant to make payments under this Note) and indemnities executed in connection with the Loan;
- (vi) material waste of any portion of the Development;
- (vii) collection of rents in advance in violation of any covenant in the Mortgage or other Loan Documents;
- (viii) failure to make payments when due on the Note or payments of insurance premiums, property taxes, payments in lieu of taxes, or payments of other operating or maintenance expenses related to the Development during such time as total revenues from the Development are sufficient to pay such amounts, or the failure to pay a portion of such amounts, up to the full extent of the total revenues from the Development available to pay such amounts;
- (ix) intentional failure to maintain resident occupancy levels and income from the Development; or
- (x) that certain Environmental Indemnification Agreement dated as of even date herewith made by Maker in favor of Holder.

The foregoing shall not impair the liability of Maker, nor shall the foregoing be deemed a waiver by Holder or an impairment of any statutory right of indemnity against Maker nor shall the foregoing affect in any way the rights of Holder to enforce its rights in and to the Development under the Mortgage and other Loan Documents by foreclosure, exercise of any possession, exercise of its rights under the UCC (as defined in the Mortgage) or pursuant to any assignment of leases and rents.

Exhibit C

[Permitted Encumbrances]

1. Land Disposition Agreement by and between the City of New Haven, The New Haven Redevelopment Agency and The Schnip Development Corporation recorded in Volume 4161 at Page 229 of the New Haven Land Records. As assigned to A.M.A./Connecticut Funding Corp. in Volume 4903 at Page 88 of said land records. As amended in Volume 4962 at Page 156 of said land records. As Amended and Restated in Volume 9483 at Page 1 of said land records. As partially assigned to RMS Downtown South-Hill North Development Company, LLC in Volume 9482 at Page 168 of said land records, as assigned to RMS 49 Prince Street LLC by instrument dated the date hereof and recorded in the New Haven Land Records.
2. Site Plan Review–Approval with Conditions by the New Haven City Plan Commission dated May 17, 2017 and recorded in Volume 9581 at Page 321 of the New Haven Land Records.
3. Site Plan Review by the New Haven City Plan Commission dated June 20, 2018 and recorded in Volume 9731 at Page 312 of the New Haven Land Records.
4. That certain Parking Space Lease from RMS Gold Street LLC to RMS 49 Prince Street LLC, and any matters affecting said Parking Space Lease, dated the date hereof and recorded in the New Haven Land Records.
5. Declaration of Easement for Public Sidewalk Purposes from RMS 49 Prince Street LLC to the City of New Haven dated the date hereof and recorded in the New Haven Land Records.
6. Extended Low-Income Housing Commitment dated the date hereof and recorded in the New Haven Land Records.
7. Declaration and Agreement of Restrictive Covenants by and between RMS 49 Prince Street LLC and Connecticut Housing Finance Authority dated the date hereof and recorded in the New Haven Land Records.
8. Covenant of Compliance and Regulatory Agreement by and between RMS 49 Prince Street LLC and Connecticut Housing Finance Authority dated the date hereof and recorded in the New Haven Land Records.
9. Declaration of Land Use Restrictive Covenant by and between RMS 49 Prince Street LLC and State of Connecticut acting by and through its Department of Housing dated the date hereof and recorded in the New Haven Land Records.
10. Construction Mortgage Deed Security Agreement and Fixture Filing from RMS 49 Prince Street LLC to State of Connecticut, acting by and through its Department of Housing, in the amount of \$2,751,000.00, dated the date hereof and recorded in the New Haven Land Records.

11. Collateral Assignment of Leases and Rents from RMS 49 Prince Street LLC to State of Connecticut, acting by and through its Department of Housing, dated the date hereof and recorded in the New Haven Land Records.
12. Assignment, Assumption and Modification Agreement City File No. A2000268 dated the date hereof and recorded in the New Haven Land Records.
13. Open-End Mortgage Deed and Security Agreement from RMS 49 Prince Street LLC to City of New Haven in the amount of \$208,851.42, dated the date hereof and recorded in the New Haven Land Records.

06/04/2020 12:26:20 PM
Michael B. Smart City Clerk
City of New Haven



After recording, return to: CHFA, 999 West Street, Rocky Hill, CT 0

Michael B. Smart City Clerk

COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT

This COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT (this "Agreement") is made and entered into as of the 24 day of May, 2020 by and between **RMS 49 PRINCE STREET LLC**, a limited liability company organized and existing under the laws of the State of Connecticut with an office and principal place of business at 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 (the "Mortgagor") and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Mortgagee"),

WITNESSETH:

WHEREAS, Mortgagor, as owner in fee simple of the property described in Exhibit A, attached hereto and made a part hereof (the "Property"), has applied to the Mortgagee for a first priority mortgage loan in the amount of up to THREE MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$3,750,000.00) to aid Mortgagor in financing the construction/renovation of a multifamily rental housing development for persons of low and moderate income on the Property, pursuant to the provisions of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended (the "Act"), the Internal Revenue Code of 1986, as amended, (the "Code"), and the regulations and procedures promulgated thereunder, as amended (the "Regulations");

WHEREAS, the Property is known as 49 Prince Street, located at 49 Prince Street, New Haven, Connecticut and is identified as CHFA Loan No. 18-013;

WHEREAS, Mortgagor acknowledges that the Mortgagee is providing the Loan (as hereafter defined) to Mortgagor to finance the Development (as hereafter defined) in furtherance of its corporate purposes under the Act, and the accomplishment of such purposes is dependent in part upon compliance by Mortgagor with the restrictive covenants set forth herein;

WHEREAS, the Mortgagee is unwilling to make the Loan unless the Mortgagor shall be regulated in the manner set forth herein, and the Mortgagor is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations;

WHEREAS, Mortgagor acknowledges the resulting beneficial interest of the Mortgagee in the Development and acknowledges that Mortgagor's ownership and operation of the Development are in furtherance of the discharge of a public trust; and

WHEREAS, the Mortgagee, as a condition of its willingness to make the Loan, requires that Mortgagor, by entering into the restrictions, terms, conditions and covenants set forth below, consent to be regulated and restricted by the Mortgagee in the management and operation of the Development as herein provided and as provided by the Loan Documents (as defined below), the Act, the Code, the Regulations, and any rules, regulations, policies, and procedures of the Mortgagee; and

WHEREAS, Mortgagor is willing to execute and abide by this Agreement as a condition of obtaining the Loan and receiving continuing benefits under the Act, the Code and the Regulations.

NOW, THEREFORE, in consideration of the Loan, and of the mutual promises and covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

I. PROPERTY.

This Agreement affects the Property which is described in **Exhibit A** attached hereto and made a part hereof.

II. DEFINITIONS.

As used in this Agreement, the terms below shall have the definitions set forth for each one:

“Actual Cash Equity” means Mortgagor's equity in the Development (as defined in the Act), as verified by an independent cost certification accepted by Mortgagee in its sole discretion;

“Adjusted Cash Flow” means an annual amount determined by Mortgagee in its sole discretion for the applicable Fiscal Year equal to audited net income *plus* all non-cash expenses including amortization and depreciation, *plus* any and all finance charges unrelated to the Loan, *less* interest income earned on reserves, *less* annual amounts disbursed under Section IV(1)(a)(except to the extent such disbursements are already accounted for in the audited net income);

“Annual Distribution” means a withdrawal or taking of any assets of Mortgagor (including the segregation of cash or any assets for subsequent withdrawal) equal to no more than ten percent (10%) of Actual Cash Equity, as determined by Mortgagee in its sole discretion on an annual basis;

“Apartment Mix” means the Qualified Units in the Development, as follows:

Area Median Income “AMI”	<u>0-Bedroom</u> Units	<u>1-Bedroom</u> Units	<u>2-Bedroom</u> Units	Totals
At or below 25% AMI	2	0	0	2
At or below 50% AMI	6	0	0	6
At or below 60% AMI	10	4	8	22
Total	18	4	8	30

“Approved Plans” means those certain plans, drawings and specifications described to the Mortgagee's Board of Directors in the authorizing resolution adopted November 21, 2019, and as amended and accepted by Mortgagee;

“Commitment Letter” means that certain Commitment Letter made by and between Mortgagee and Mortgagor dated as of December 2, 2019;

“Compliance Period” means with respect to any building on the Property, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the credit period (as defined in Section 42(i)(1) of the Code with respect thereto);

“Construction Contract” means that certain general construction contract dated April 24, 2020 made by and between Mortgagor and RMS CONSTRUCTION, L.L.C., a limited liability company, relating to the construction/rehabilitation of the Development;

“Construction Loan” means that certain \$2,250,000.00 interest bearing obligation evidenced by the Construction Loan Note;

“Construction Loan Note” means that certain promissory note dated as of even date herewith made by Mortgagor to the order of Mortgagee in the original principal amount of up to \$2,250,000.00;

“Declaration” means that certain Declaration and Agreement of Restrictive Covenants made by and between Mortgagor and Mortgagee dated as of even date herewith;

“Default” means an “Event of Default,” as defined in the Mortgage (as hereinafter defined);

“Development” means all real and personal property and all assets of whatever nature or wherever situate, used in or owned by the business conducted on the Property, which business is to provide rental housing accommodations for persons of low and moderate income and other facilities incidental thereto, including, without limitation, the facilities described in the Approved Plans;

“Development Operations Account” means that certain depository account established by Mortgagor with a bank or financial institution in the State which has been approved and accepted by Mortgagee in its sole discretion;

“ELIHC” means that certain Extended Low-Income Housing Commitment dated on or about the date hereof made by and between Mortgagor and Mortgagee with respect to the Development;

“Extended Use Period” means, with respect to a building on the Property, the period: (i) beginning on the first (1st) day in the Compliance Period in which such building is part of a qualified low-income housing project, and (ii) ending on the later of: (I) the date specified in the ELIHC, or (II) the date which is fifteen (15) years after the close of the Compliance Period;

“Fiscal Year” means the calendar year or any other period agreed to in writing by the parties hereto as the fiscal year for the Mortgagor;

“Gross Revenues” means, with respect to a particular period of time, all amounts received by Mortgagor during such period from rents and revenues or any other source in connection with (and arising out of) the operation of the Development on the Property;

“HUD” means the United States Department of Housing and Urban Development, or any federal successor thereto;

“Income Limitation” means, as reflected in the Apartment Mix, twenty-five percent (25%), fifty percent (50%), or sixty percent (60%) of area median gross income, adjusted for family size, within the meaning of the Code and the Regulations and, for this purpose, income is determined as defined under HUD regulations promulgated by HUD at 24 C.F.R. 5.609 {2014};

“Loan” means, collectively, the Construction Loan and the Permanent Loan.

“Loan Documents” means, collectively, the Commitment Letter, the Declaration, the Construction Loan Note, the Permanent Loan Note, the Mortgage, this Agreement, that certain Mortgagor Affidavit and Agreement, that certain Construction Loan and General Escrow Agreement, that certain Environmental Indemnification Agreement, and all other documents executed by Mortgagor in connection with the Loan;

“Mortgage” means that certain Open-End Mortgage Deed (Construction), Security Agreement, Assignment of Leases and Rentals and Fixture Filing dated as of even date herewith which Mortgage secures all indebtedness and obligations under the Note and constitutes a first (1st) priority mortgage lien on the Property and the Development;

“Note” means, collectively, the Construction Loan Note and the Permanent Loan Note;

“Operating Expense(s)” means any expense(s) incurred by Mortgagor and accepted by Mortgagee, which are reasonable and necessary for the sound operation and maintenance of the Property and the Development, including but not limited to, real estate taxes, payments in lieu of taxes, insurance premiums, utilities, fuel, management fees, repairs and other maintenance costs, trash and snow removal expenses, and any other similar expense required by or contemplated under the terms of this Agreement, provided, however, Operating Expenses shall not include debt service payments due under the Loan or any subordinate financing;

“Permanent Loan” means that certain \$1,500,000.00 interest bearing obligation evidenced by the Permanent Loan Note;

“Permanent Loan Note” means that certain promissory note dated as of even date herewith made by Mortgagor to the order of Mortgagee in the original principal amount of up to \$1,500,000.00;

“Reserve for Replacements Escrow” has the meaning set forth in the Loan Documents;

“Residual Receipts Account” has the meaning set forth in the Loan Documents;

“Qualified Person(s)” means individuals and families who, at the time each such individual or family first occupies a residential unit in the Development have annual income that meets the applicable Income Limitation;

“Qualified Rent” means an annual gross rental not greater than thirty percent (30%) of the annual imputed Income Limitation applicable for such Qualified Unit for each Qualified Person, in accordance

with the Act, the Code and the Regulations, which maximum rental limits applicable to Qualified Units shall be revised by a percentage equal to any percentage change in area median income pursuant to Section 42 of the Code, provided, however, Qualified Rent shall not include any payment under Section 8, or any comparable rental assistance program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include any utility allowance applicable pursuant to the Code, after taking into account such determinations under such Section 8;

“Qualified Unit” means a residential unit at the Development occupied, or available for occupancy, by a Qualified Person(s) at the Qualified Rent;

“Section 8” means section 8 of the United States Housing Act of 1937, as amended;

“State” means the State of Connecticut;

“State Restrictive Covenant” means that certain Declaration of Land Use Restrictive Covenant by Declarant in favor of the State acting by and through its Department of Housing dated on or about of even date herewith;

“Surplus Cash” means, as determined by Mortgagee in its sole discretion on an annual basis, Adjusted Cash Flow minus Additional Interest.

III. CONTINUOUS RENTAL AND LOW AND MODERATE INCOME RESTRICTIONS ON USE OF THE DEVELOPMENT.

Mortgagor hereby represents, covenants, warrants to Mortgagee, as follows:

1. The Development shall be located on the Property and shall consist of the facilities described in the Approved Plans and shall consist of a building or buildings or structure and facilities functionally related and subordinated thereto, owned by the same person(s) for tax purposes, all located on a single tract of land and financed under a common plan of finance, with: (a) each containing one or more similar residential units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and (b) all of the residential units of which shall be rented or available on a non-transient basis for rental to members of the general public, suitable for residential occupancy, and in compliance with all State and local health, safety and building codes.

2. Mortgagor shall proceed with due diligence to promptly complete construction and/or renovation of the Development in accordance with the Approved Plans, and shall make no change in the nature, size (including number of residential units) or location of the Development from that which was shown on the Approved Plans without the prior written consent of the Mortgagee.

3. Mortgagor shall, on a continuous basis, maintain all of the residential units in the Development either as rented (or available for rental) to members of the general public during the Compliance Period and the Extended Use Period.

4. Mortgagor hereby covenants and agrees to comply with the requirements: (a) for “*qualified residential rental projects*” financed with exempt facility bonds as provided in Section 142(d) of the Code, and (b) for obtaining low-income housing tax credits under Section 42 of the Code with respect to the Development during the Compliance Period and Mortgagor’s obligations under the ELIHC (entered into pursuant to Section 42(h)(6) of the Code) which are incorporated herein by reference.

5. Intentionally omitted.

6. During the term of the Mortgage, the Compliance Period and the Extended Use Period, thirty (30) of the residential units in the Development shall be Qualified Units in accordance with the Apartment Mix and all calculations of income and area median gross income shall be determined in a manner consistent with determinations of lower income families under Section 8 of this Agreement.

7. After initial occupancy by Qualified Persons, but upon again becoming vacant, a residential unit shall be treated as occupied by Qualified Person(s) until occupied, other than for a temporary period by another occupant, at which time the character of the residential unit shall be re-determined by the new occupant's income. In no event shall a temporary period exceed thirty (30) days. A residential unit occupied by an individual or family who, at the commencement of occupancy, was a Qualified Person shall be treated as occupied by a Qualified Person during such individual's or family's tenancy in such residential unit until such individual's or family's income exceeds one hundred forty percent (140%) of the Income Limitation at the time of the most recent Determination (as defined below). Once an individual's or family income exceeds one hundred forty percent (140%) of the Income Limitation, the unit occupied by such individual or family shall continue to be treated as occupied by a Qualified Person unless, after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income exceeds the Income Limitation. Notwithstanding the provisions of this paragraph the Development shall also comply at all times with the requirements of Section 42(g)(2)(D) of the Code.

8. As required by the Mortgagee, the Mortgagor shall make a determination on the basis of current income (the “Determination”) of whether the income of an individual or family residing in a unit of the Development exceeds the then applicable Income Limitation. As required by the Mortgagee, the Mortgagor shall certify compliance with the Low and Moderate Income Restriction (as defined below) to the Mortgagee and to the U.S. Secretary of the Treasury, if required (at such times and in such manner as the Secretary shall prescribe).

9. Mortgagor shall furnish to Mortgagee, on at least an annual basis or on some other basis as determined by Mortgagee to be required by the Act, the Code and the Regulations, such information as Mortgagee shall require, including any compliance forms required to be filed with the U.S. Secretary of the Treasury or the Mortgagee, including the “*Owner's Certificate of Continuing Program Compliance*,” attached hereto as **Exhibit B**, and to maintain on file “*Tenant Income Certification (TC-100)*,” in the form attached hereto as **Exhibit C** (or such other form as may be accepted by the Mortgagee), in order to permit verification that the covenants set forth herein are being satisfied by Mortgagor and to take such action as Mortgagee shall deem necessary to comply with the covenants herein or to correct or cure any failure of Mortgagor to comply with the covenants herein. Mortgagor shall use tenant lease forms acceptable to the Mortgagee, or, if there are no written leases, written and signed certifications of tenants so as to be able to determine the qualifications of the tenant or take such other corrective action as is necessary to comply with the covenants herein or to correct or cure any failure of Mortgagor to comply with the covenants herein. Such leases or certifications shall contain

clauses wherein each tenant certifies as to the accuracy of statements made in the Tenant Income Certification and agrees that family income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she shall comply with all requests for information with respect thereto from Mortgagor or Mortgagee, and that failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial and material obligation of his or her tenancy for which termination of the tenancy shall be a remedy.

10. Mortgagor understands and agrees that the Development shall be used only for multifamily residential rental housing (within the meaning of the Act, the Code and the Regulations), for the benefit of those members of the general public of low and moderate income upon certain terms and conditions and Mortgagor hereby covenants and represents to the Mortgagee as follows: (a) During the Compliance Period and the Extended Use Period, the Mortgagor shall set aside thirty (30) of the Qualified Units for Qualified Persons at the Qualified Rent; (b) the Qualified Units shall remain subject to all of the low and moderate income restrictions herein, for the term of the Loan; (c) the covenants and representations of Mortgagor contained herein shall survive any sale, transfer, or other disposition of all or any portion of the Property or the Development by Mortgagor or the repayment of the Loan, and shall be binding upon the Mortgagor's successors and assigns, but may be waived by Mortgagee in its sole discretion upon the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, change in a Federal law or an action of a Federal agency which prevents the Mortgagee from enforcing the requirements hereof, or condemnation or similar event, provided, however, the covenants and representations of Mortgagor herein shall survive a foreclosure, transfer of title by deed in lieu of foreclosure or similar event if, at any time during the Compliance Period, Mortgagor or a related party (as defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for Federal tax purposes; (d) in the event that the Development shall at any time be converted to a common interest community, such conversion shall include in the declaration of common interest community an affirmative covenant running with the land, and such common interest community shall be subject to the terms and conditions of this Agreement, which covenant shall bind the common interest community association, the common interest community unit owner and their respective successors and assigns, to the restrictions contained in this Agreement and said covenant shall also require that no fewer than the number of units required, which units shall be designated and identified in the said declaration of common interest community either by unit number or other description, shall be sold, or held vacant for sale, only to individuals or families who are of low income, as determined by the Mortgagee or its successors at the time of such sale and the covenant shall be binding upon the common interest community association, its successors and assigns to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by the Mortgagee, or its successors and assigns as their interests may appear; and said declaration of common interest community shall require that all units that are to be sold or available for sale to Qualified Persons, shall also be subject to the further restriction that no re-conveyance of any such units shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Mortgagee or its successors or its nominee that the prospective purchaser is a Qualified Person at the time of the proposed conveyance and the Mortgagee or its successors or nominee shall designate a party to issue such a certification of low income and shall notify the common interest community, from time to time, of the identity of such party and no unit in the Development may be conveyed pursuant to a time-sharing plan as defined in Chapter 734b of the Connecticut General Statutes; (e) in the event of a partial destruction or condemnation of the Development which is not substantial, as determined by Mortgagee in its sole discretion, and if such destruction or condemnation is not repaired or corrected to the satisfaction of the Mortgagee, then the remaining units in the Development shall be allocated, on the same basis described above, to Qualified Persons and if the

Development is not rebuilt or corrected for any reason after substantial destruction or condemnation of the Development, as determined by Mortgagee, in its sole discretion, then the Mortgagor shall have the right to request, and Mortgagee may, so long as any applicable insurance proceeds have not been delivered to the Mortgagor, release and waive Mortgagor and the Property from the terms, restrictions and conditions contained herein and upon such destruction or condemnation, the Mortgagee, or its successor(s) or nominee, may execute appropriate documents for the Mortgagor, its successors or assigns to record on the land records for the city or town where the Development is located rescinding the restrictions contained herein, if Mortgagee elects to so release and waive Mortgagor and the Property from the terms, restrictions and conditions contained herein and in the event that Mortgagee delivers the said insurance proceeds to Mortgagor, and Mortgagor is required to repair or reconstruct the Development pursuant to the terms of the Loan, then the restrictions and covenants herein shall remain in full force and effect; (f) as required by Mortgagee, in every Fiscal Year during the Compliance Period and the Extended Use Period or until the Mortgage has been released, whichever period is longer, Mortgagor shall deliver to Mortgagee, in a form accepted by Mortgagee, a certified schedule of units occupied by Qualified Persons and the Mortgagee shall have the right to observe the Property and the Development and review Mortgagor's records regarding tenants and tenant selection policy at any time, and to request and receive any information, documentation, or other confirmation that Mortgagor's tenant selection policy complies with the requirements of Mortgagee; and (g) to the extent necessary to comply with the Act, the Code and the Regulations, and Mortgagee's Procedures, including but not limited to the Qualified Allocation Plan and Application Process Procedures, Mortgagee shall have the right to take any and all actions which it deems appropriate, to rent any unleased or vacant dwelling unit in the Development (if the Development is used for rental units), including without limitation thereof the right to the appointment of a receiver to enter upon and take possession of the Property and the Development, to enter into tenant leases, to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct or to seek any remedy available or necessary for the enforcement of the covenants and restrictions herein and the receiver shall have the rights and powers permitted under the laws of the State and such other powers as the court making such appointment shall confer.

11. This Agreement shall continue in full force and effect throughout the longest of the applicable periods to enable the Mortgagee, its successors and assigns, to enforce compliance by Mortgagor with the covenants, terms and conditions therein and of this Agreement. The covenants herein set forth shall be deemed to run with the land and shall bind the Mortgagor and its successors and assigns, notwithstanding that the Loan may not continue in effect.

12. *Low-Income Housing Tax Credit Restrictive Covenant:* Mortgagor shall comply with Section 42 of the Code regarding the low-income housing tax credit, including but not limited to, the Compliance Period, Extended Use Period and the ELIHC, which is incorporated herein by reference.

13. The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination, observation and copying upon prior notice at any reasonable time by the Mortgagee or by its authorized representative.

14. Mortgagor shall maintain the Development in a decent, safe, and sanitary condition and in a good state of repair as determined by the Mortgagee in its sole discretion.

IV. DEVELOPMENT ADJUSTED CASH FLOW.

1. Mortgagor shall deposit any and all Gross Revenues in the Development Operations Account, including, without limitation, all segregated and recorded amounts, special funds required to be maintained by Mortgagor and any outstanding liability for tenant security deposits. Any disbursements from the Development Operations Account shall be made in the following priority order:

(a) Loan Payments. All sums due or currently required to be paid under the terms of the Note and the Loan Documents, followed by any subordinate financing, including, without limitation, regularly scheduled debt service payments, and all required escrow or reserve deposits or other Operating Expense payments;

(b) Operating Expense Payments. All remaining Operating Expenses other than those due or currently required to be paid under the terms of the Note or the Loan Documents (including, without limitation, those due and/or payable within thirty (30) days after the close of the Mortgagor's Fiscal Year, unless funds for payment are set aside or payment deferral has been accepted in writing by the Mortgagee);

(c) Intentionally Omitted.

(d) Annual Distribution Payment. Solely from Surplus Cash on an annual basis and upon Mortgagee's acceptance and approval of Mortgagor's annual audited financial statements and the written acceptance of an authorized officer of Mortgagee, an Annual Distribution; and

(e) Annual Residual Receipts Deposit. Solely from remaining Surplus Cash on an annual basis on or before April 1 of each year (commencing on April 1, 2023), and as determined by Mortgagee in its sole discretion following Mortgagee's acceptance and approval of Mortgagor's annual audited financial statements, annual "Residual Receipts" shall be deposited into the Residual Receipts Account and held by Mortgagee in accordance with the Loan Documents, and Mortgagee, or its successor or assign, shall own and maintain sole ownership and control of all Residual Receipts at all times and Residual Receipts shall be disbursed solely upon the direction of Mortgagee, which shall have the power and authority to direct that all funds held in the Residual Receipts Account, or any part thereof, be used for such purpose, as it may determine.

2. Prior to any Annual Distribution, Mortgagee shall determine, in its sole discretion, that the Development and operation thereof meet the following criteria to its satisfaction: (a) *Management*: The Development shall be operated in a manner consistent with Mortgagee's standards as described in the management plan accepted by the Mortgagee; (b) *Financial Condition*: the Development shall be operated in a financial manner which allows the Mortgagor to pay all the obligations, fund all reserves as required and demonstrate an ability to be consistent in this manner throughout the Fiscal Year; (c) *Physical Condition*: The Development shall be maintained in good physical condition as demonstrated by the Mortgagee's physical observation, and the Development shall not have any physical impediments which shall require financing from sources other than the Reserve for Replacements Escrow; (d) *Low-Moderate Income*: No Distribution shall cause rents to be raised on any Qualified Unit to a level which would prohibit the rental of the unit to Qualified Persons at the Qualified Rent and rents shall be established to meet the objectives described in this Agreement; (e) *Market Conditions*: Distributions shall be a function of market conditions and market conditions shall be

considered in establishing rental schedules; (f) Annual Distributions shall be non-cumulative and payable from Surplus Cash, if any, at the end each Fiscal Year subsequent to Mortgagee's acceptance of audited financial statements for such Fiscal Year; (g) Annual Distributions shall not be made from proceeds of the Loan prior to the completion of work at the Development in accordance with the Construction Contract and the Approved Plans or when there is any Event of Default (as defined in the Mortgage); (h) no Annual Distribution of any funds arising out of the operation of the Development, to a party not entitled to receive such funds hereunder, shall be held in trust by said party separate and apart from any other funds; and (i) no Distribution shall be made until all outstanding notices or requirements for proper maintenance and operation of the Development have been complied with.

V. PROPERTY MANAGEMENT.

Mortgagor shall provide for the professional management of the Property and the Development in a manner acceptable to the Mortgagee, in its sole discretion, shall employ a property manager (the "Management Agent"), and shall develop a Management Plan acceptable to Mortgagee. Any management agreement with the Management Agent entered into by Mortgagor involving the Property and the Development shall be accepted in writing in advance by the Mortgagee and contain a provision that it is subject to termination, without penalty and with or without cause, upon written request by the Mortgagee. Any notice of termination shall be addressed to Mortgagor and shall incorporate by reference the terms of this Agreement. Upon receipt of such notice, Mortgagor shall terminate the said management agreement within a period of not more than thirty (30) days and shall make immediate alternative arrangements reasonably satisfactory to the Mortgagee for continuing proper management of the Development. If Mortgagor fails to so terminate and appoint a new Management Agent reasonably satisfactory to the Mortgagee within said thirty (30) days, then the Mortgagee shall designate a new Management Agent and Mortgagor shall execute the management agreement acceptable to the Mortgagee. If the Mortgagor self-manages the Property and the Development, then the Mortgagee may reasonably require Mortgagor to enter into a management agreement with an independent Management Agent at a rate and on terms and conditions accepted by the Mortgagee. Mortgagor hereby constitutes and appoints the Mortgagee its true and lawful attorney-in-fact, coupled with an interest, with full power of substitution for such purpose. Mortgagor hereby empowers said attorney-in-fact to execute a management agreement with a Management Agent acceptable to the Mortgagee and to do any and every act which Mortgagor might do on its own behalf under such management agreement, as owner of the Development. This power of attorney may not be revoked during the term of this Agreement. The Development shall be operated in a manner consistent with Mortgagee standards as described in the management plan accepted by the Mortgagee. The Development shall be operated in a financial manner which allows the Development to pay all obligations, fund all reserves as required and demonstrate an ability to be consistent in this manner throughout the Fiscal Year. The Development shall be maintained in good physical condition as demonstrated by the Mortgagee's physical observation. The Development shall not have any physical impediments, which will require financing from sources other than the Reserve for Replacements Escrow. Rents shall be established to meet the objectives described in the Agreement.

VI. NEGATIVE COVENANTS.

1. Mortgagor shall not, without the prior written acceptance of Mortgagee: (a) sell, convey (including transition, conveyance or transfer to a limited liability company), assign, transfer, lease (except for apartment leases on the form lease accepted by the Mortgagee) or further encumber any interest in or any part of the Property, nor shall a voluntary sale, pledge or other transfer of any beneficial interest in Mortgagor be

effected; (b) assign, pledge, transfer, dispose of or encumber any personal property of the Property or the Development, including rents, or pay out any funds, except for Operating Expenses and necessary repairs and replacements; (c) except as provided for under the Permitted Encumbrances (as defined in the Mortgage), convey, assign, pledge, or transfer any right to receive the rents and/or profits from the Property or the Development; (d) remodel, add to, reconstruct, demolish or damage any part of the Development after the issuance of permanent certificates of occupancy, or subtract from any real or personal property of the Development; (e) engage, except for natural persons, in any other business or activity, including the operation of any other housing development, or incur any liability or obligation not connected with the Development; (f) require, as a condition of the occupancy or leasing of any unit in the Development, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of two (2) months' rent, as permitted by law, to guarantee the tenant's performance of the lease. Any funds collected as security deposits shall be maintained separate and apart from all other funds of the Development in a trust account with a federally insured depository within the State, accepted in writing by Mortgagee, the amount of which shall at all times equal or exceed the aggregate of all outstanding security deposit obligations of the Development and if interest is earned on said trust account, it shall be transferred, as earned, into the Development Operations Account, except as otherwise required by law; (g) permit the use of the dwelling accommodations of the Development for any purpose except as residential rental dwelling units; (h) incur any liability, direct or contingent, other than for current Operating Expenses, exclusive of the Loan and any deferred developer fee (as may be set out in the Commitment Letter); (i) pay any compensation, including wages or salaries, or incur any obligations to Mortgagor's staff or any officers, directors, stockholders, trustees, partners, beneficiaries under a trust, or to any of their nominees; (j) enter into any contract or contracts for supervisory or managerial services; (k) invest or deposit any funds from the Development in any property (real, personal or mixed), except obligations of, or fully guaranteed or secured as to principal by, the United States of America, or any agency thereof, the State, or obligations thereof, or deposit such funds in a depository not acceptable to Mortgagee; (l) terminate, assign or transfer any right to manage the Development (except in accordance with the provisions of this Agreement); (m) make a loan of any funds from the Development to any person or entity; (n) incur any liability or obligation in connection with the Development, contingent or otherwise, with the exception of current Operating Expenses and for the indebtedness evidenced by the Note, or other financing(s) accepted by Mortgagee; or incur any liability or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrances on the Development, or funds of the Development; (o) require tenants to pay any mandatory charges for additional services or facilities; or (p) pay for services, supplies or materials relating to the Property and the Development in amounts in excess of the amount(s) ordinarily paid for such services, supplies or materials in the area where the services are rendered or the supplies or materials are furnished.

VII. REPORTING REQUIREMENTS.

1. Unless another period for reporting is specified by the Mortgagee in writing, Mortgagor shall furnish the Mortgagee with occupancy reports and reports of income, expenses, accounts receivable and accounts payable on a quarterly basis. Mortgagor shall pay such penalty as may be imposed by the Mortgagee in the event of failure to comply with this requirement. Such reports shall be provided no later than the fifteenth (15th) day of each month. Mortgagor shall also provide such additional information as the Mortgagee may reasonably request from time to time relative to the ownership, operation and maintenance of the Property and the Development.

2. Within sixty (60) days following the close of each Fiscal Year, Mortgagor shall furnish Mortgagee with a complete annual financial report prepared and certified by a certified public accountant for the Development based upon an examination of the books and records of Mortgagor, containing a detailed, itemized statement of Gross Revenues, Operating Expenses, Surplus Cash, Adjusted Cash Flow, Annual Distributions, and all other income and expenditures, prepared and certified to be in accordance with the Procedures and standards accepted by the Mortgagee and in conformity with generally accepted accounting principles applied on a consistent basis, and further certified by Mortgagor or its duly authorized agent.

3. Annually, not later than thirty (30) days before the beginning of each Fiscal Year, Mortgagor shall submit to the Mortgagee an itemized budget of Gross Revenues, Operating Expenses, Surplus Cash Adjusted Cash Flow and Annual Distributions for the following Fiscal Year. Such budget shall be accompanied by supporting documentation requested by the Mortgagee. Upon acceptance by the Mortgagee, such budget shall be the Development's budget for the ensuing Fiscal Year.

4. All records, accounts, books, tenant lists, applicant waiting lists, documents, and contracts relating to the Development shall at all times be kept separate and identifiable from those of any other business of the Mortgagor which is unrelated to the Development and shall be maintained within the State, as required by the Mortgagee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Mortgagee.

VIII. TENANT & RENT REQUIREMENTS.

1. Mortgagor further covenants and agrees that: (a) with the prior written acceptance of the Mortgagee, Mortgagor shall establish and maintain for each dwelling unit at the Development a rental charge which shall satisfy the requirements of the Act, the Code, the Regulations, and this Agreement, and provide income to the Development sufficient for the payment of principal, interest, fees and charges to the Mortgagee under the Mortgage and Note and the Loan Documents; (b) on forms accepted by Mortgagee, Mortgagor shall obtain a certification of income from each prospective tenant, prior to execution of a lease and admission to the Development as a tenant; (c) Mortgagor shall obtain written evidence substantiating the information given on the tenants' certifications of income in a manner prescribed by Mortgagee and shall maintain on file for Mortgagee's review a copy of such evidence. Mortgagor agrees that no person has been accepted or shall be accepted for occupancy of a Qualified Unit, nor shall any person be permitted to occupy any Qualified Unit in the Development or any portion thereof, without such person's application for occupancy having first been reviewed by or on behalf of Mortgagee, except that no such lease acceptance or submission shall be required with regard to leases of one dwelling unit within the Property for terms not in excess of one (1) year unless requested in writing by Mortgagee subject to the requirements of Section 42 of the Code; (d) Mortgagor shall require all tenants to execute a lease in the form prescribed or accepted by the Mortgagee: (i) In the case of Qualified Units, Mortgagor shall require the execution of a lease which shall provide for an annual certification of income by the tenant and for termination of the lease and eviction of an individual or family for violation of the eligibility requirements, as constituting material non-compliance under the lease. Said lease form shall also prohibit the assignment of the lease or subleasing of the unit to persons other than those accepted by Mortgagor as meeting the eligibility requirements; (ii) No unit in the Development shall be rented for a term of less than one (1) year nor more than two (2) years without the Mortgagee's prior acceptance; (e) no changes shall be made in the rental charges accepted by the Mortgagee, except as may be adjusted in the annual budget accepted in writing by Mortgagee; (f) Mortgagor shall not permit a tenant to rent more than one (1) residential dwelling unit at any given time without the prior written acceptance of Mortgagee; (g) Mortgagor shall obtain prior

written acceptance of Mortgagee for: (i) all documents used in renting the dwelling units and any commercial facilities including but not limited to lease forms and applications; (ii) all advertising and other public information regarding the Development; and (iii) all procedures and standards to be utilized regarding acceptance or rejection of prospective tenants; (h) Mortgagor shall grant to the Mortgagee the right to execute leases on behalf of the Mortgagor from time to time for all thirty (30) Qualified Units in the Development with Qualified Persons, upon the sole determination by the Mortgagee that the exercise of this right is necessary to preserve compliance with the Code regarding low income housing tax credits allocated to the Development. In that event, Mortgagee shall be deemed an agent for the Mortgagor and shall deposit Gross Revenues into the Development Operations Account; (i) all rents received by the Mortgagor in excess of the maximum rents permitted or in excess of Qualified Rents shall be paid over by Mortgagor to the Mortgagee; and (j) Mortgagor shall comply with the Mortgagee's insurance requirements as set out in the Mortgage.

IX. NONDISCRIMINATION.

Mortgagor shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, Title VI of the Civil Rights Act of 1964, and Executive Order 11063, to the end that in accordance with the Act, the Code and the Regulations, and said Executive Order, no person in the United States shall, on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sexual orientation, or sex, be refused or denied housing, or otherwise subjected to discrimination. In addition, Mortgagor shall comply with all State and local laws prohibiting discrimination in housing, including without limitation, laws prohibiting discrimination on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sexual orientation, sex, or any other classification(s) protected by state or local law. Without limiting the generality of the foregoing, Mortgagor shall not restrict occupancy or rental of dwelling units in the Development by reason of the fact that a prospective tenant's household includes children (except for senior citizen housing as may be allowed under applicable law). Failure or refusal to comply with any such provisions, within any cure period that may be provided by law, shall constitute basis for Mortgagee to take any corrective action it may deem necessary including, but not limited to, declaring an Event of Default under the Mortgage, the rejection of future applications for mortgage loans and the refusal to enter into future contracts of any kind with which Mortgagor or its shareholders, members, partners, trustees or beneficiaries are in any way identified. Mortgagor shall not discriminate against tenants or applicants who are recipients of Federal rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or any successor subsidy program.

X. MISCELLANEOUS.

1. Mortgagor shall not file any petition in bankruptcy or for reorganization or re-composition, or make any assignment for the benefit of creditors or to a trustee for creditors or permit an adjudication in bankruptcy, the taking possession of the Property or any part thereof by a receiver, or the seizure and sale of the Property or any part thereof under judicial process or pursuant to any power of sale. Failure to have such adverse action set aside within sixty (60) days shall constitute an Event of Default under this Agreement and under the Mortgage.

2. Mortgagor agrees promptly to notify Mortgagee in writing of any suits by or against Mortgagor, the Mortgagee or the Development. No litigation seeking the recovery of a sum in excess of \$25,000.00 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$25,000.00 or suit for specific performance be settled or compromised by Mortgagor unless prior written consent thereto has been obtained from Mortgagee. Such consent may be subject to such terms and conditions as Mortgagee may, in its sole discretion, prescribe.

3. In order to comply with the Act, the Code and the Regulations and applicable statutes and regulations, Mortgagor agrees that, throughout the period as set forth in Paragraph 3, all of the Qualified Units in the Development shall be rented to Qualified Persons at a rental not in excess of Qualified Rent. Mortgagor shall comply with all State and federal laws and requirements, and the Mortgagee's policies and Procedures. In addition and without limitation thereto, Mortgagor shall agree to the Apartment Mix and shall provide a marketing plan acceptable to the Mortgagee. Prior to completion of the construction/renovation work at the Development, the Mortgagor shall advertise the availability of apartment units in manners reasonably calculated to reach Qualified Persons. All advertisements shall be accepted in writing by the Mortgagee prior to placement with any of the media. Mortgagor shall verify the income of each applicant for a Qualified Unit. Mortgagor agrees that on and after the date of notification by the Mortgagee to Mortgagor with respect to the availability of subsidy funds, it shall not reject an applicant for a rental who, except for lack of adequate income, is acceptable as a tenant. Mortgagor shall submit the application of such prospective tenant to the Mortgagee for consideration by the Mortgagee of the granting of a subsidy to such a prospective tenant during the term of the lease. Mortgagee may submit to Mortgagor the names of applicants for occupancy as tenants, and Mortgagor shall review the application(s) and interview such prospective tenants. Following initial occupancy, Qualified Units vacated by Qualified Persons shall be rented only to other Qualified Persons in order to maintain the Apartment Mix. Mortgagor may modify the allocation and distribution of Qualified Units so reserved only with the prior written permission of Mortgagee. Any such modification shall be carried out so that at all times, the Qualified Units shall be occupied by (or previously occupied by and available for rental solely to) Qualified Persons. Mortgagor represents and warrants that at all times its acts in connection with the Development have complied with and shall continue to comply with all applicable provisions of federal, state and local laws, and all agreements with the Mortgagee and any other public entities concerning the Development as amended from time-to-time. The Mortgagor also represents to the Mortgagee that professional advice is available to the Mortgagor for the purpose of enabling the Mortgagor to be aware of, and to comply with, said laws, policies, procedures and agreements. The Mortgagor shall indemnify Mortgagee against any loss incurred by the Mortgagee as a result of the Mortgagor's failure to comply therewith. Mortgagor acknowledges the existence of federal, state and local laws regarding handicapped accessibility and the relocation of persons displaced by the Development. Mortgagor agrees that Mortgagor, and not Mortgagee, is responsible for complying with such laws, as they may apply to the Development.

4. Except as to the Permitted Encumbrances, Mortgagor warrants that it has not, and shall not, execute other agreements with provisions contradictory, or in opposition to the provisions hereof, and that in any event the requirements of this Agreement are paramount and controlling and shall supersede any other requirements in conflict therewith except as provided below. Notwithstanding the foregoing, Mortgagor acknowledges that a purpose of this Agreement is to compel and document compliance with provisions of the Act, the Code and the Regulations applicable to Qualified Residential Rental Projects, and to the extent that any provision hereof is now or shall become in conflict with any such provision of the Act, the Code and the Regulations, such provision of the Act, the Code and the Regulations shall prevail. Mortgagor shall comply with all provisions of the Code and Regulations applicable to qualified residential rental projects, whether or not such provisions are specifically set forth herein. Mortgagor further acknowledges that the representations and covenants set forth herein are based upon the Code and Regulations in their present form, and that both may be amended and the interpretations of their respective provisions may be changed or clarified in a manner inconsistent with the provisions hereof. Mortgagor shall use its best efforts to take such actions, or to refrain from taking such actions, as are authorized by law and as may be necessary for the Development to continue to constitute a qualified residential rental project as may be required by the Code or Regulations as either may be amended or as the interpretation of their respective provisions may be changed or clarified.

5. No amendments shall be made to the Mortgagor's partnership or operating agreement and such partnership or operating agreement shall not be terminated without the Mortgagee's prior written acceptance. In the event of the dissolution or other change in the partnership or limited liability company, Mortgagor's business shall be continued by the partners or members individually until a successor structure is formed and accepted by the Mortgagee. No general partner, manager or managing member shall voluntarily withdraw from the Mortgagor's partnership or limited liability company without the Mortgagee's prior written acceptance.

6. Mortgagor shall remain liable only as set forth in the Mortgage.

7. Upon violation of any of the provisions of this Agreement by Mortgagor, the Mortgagee may give written notice thereof to Mortgagor by registered or certified mail addressed to the address stated in this Agreement, or such other address(es) as may subsequently be supplied by appropriate written notice to the Mortgagee. If such violation is not corrected to the satisfaction of the Mortgagee within thirty (30) days after the date such notice is mailed or within such further time as the Mortgagee in its sole discretion may permit, the Mortgagee without further notice, may declare that an Event of Default has occurred. Upon such default, the Mortgagee may resort to one, all or any combination of the following courses of action: (a) declare the whole of the indebtedness under the Mortgagee Note immediately due and payable and proceed with the foreclosure of the Mortgage; (b) collect or cause to be collected all rents and charges in connection with the operation of the Property and the Development and use such collections or cause such collections to be used to pay such Mortgagor's obligations under this Agreement and under the Mortgage and the necessary expenses of preserving and operating the Development; (c) take possession of the Property and the Development, bring any action necessary to enforce any rights of Mortgagor growing out of the operation of the Property and the Development, and operate the Property and the Development in accordance with the terms of this Agreement and in compliance with the requirements of the Mortgage; (d) apply to any court for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Property and the Development in accordance with the terms of this Agreement, or for such other relief as may be appropriate, since the injury to the Mortgagee arising from a default under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain;

and (e) seek any other remedy permitted under the Loan Documents. Any action(s) taken by the Mortgagee shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Mortgagee may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Mortgagee permitted by law, equity or contract or as set forth herein or in the Loan Documents.

8. Mortgagor shall do, execute, acknowledge and deliver, at its sole cost and expense, such further acts, instruments or documentation as the Mortgagee may reasonably require from time to time to better assure, transfer and confirm unto the Mortgagee the rights now or hereafter intended to be granted to the Mortgagee under this Agreement.

9. The parties agree that this Agreement shall continue in full force and effect throughout the applicable period in Paragraph 3 hereof to the extent necessary to comply with the Act, the Code and the Regulations and to enable the Mortgagee, its successors and its assigns to enforce compliance by Mortgagor with the covenants, terms and conditions therein and of this Agreement. The covenants herein set forth shall be deemed to run with the Property and the same shall bind the Mortgagor and its successors and assigns, notwithstanding that the Loan may not continue in effect.

10. Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the addresses on page 1 hereof, in writing, and shall be deemed to have been duly given (a) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (b) when delivered, if delivered personally, (c) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (d) when sent, if sent by overnight mail or overnight courier, in each case with a copy (which shall not constitute notice) to the Mortgagee's General Counsel at the above address. Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication. Any party may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

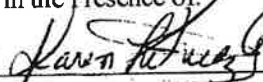
11. This Agreement shall be governed by and construed in accordance with the laws of the State and federal law, where applicable. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. This Agreement cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless in writing and signed by the party against which enforcement is sought. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same Agreement. Notice: False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.


12. Mortgagor hereby agrees that Mortgagor (a) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s) (i) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970 and (ii) was not abated within the time fixed by the citations and (iii) such citation has not been set aside, and (b) has not received one or more criminal convictions related to the injury or death of any employee in such three year period. Mortgagor agrees to comply with the Civil Rights Acts of 1964 and 1968 and Executive Orders relating thereto, as applicable. Mortgagor also agrees to comply with Section 4a-60 of the Connecticut General Statutes, and Section 4a-60a of the Connecticut General Statutes, and Section 4-61dd of the Connecticut General Statutes, incorporated herein by reference.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

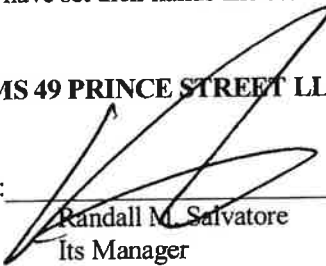
IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

Signed, Sealed and Delivered
in the Presence of:


Name: KAREN NUNEZ


Name: Genessa Borne

RMS 49 PRINCE STREET LLC

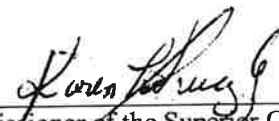
By: 
Randall M. Salvatore
Its Manager
Duly Authorized

STATE OF CONNECTICUT)
COUNTY OF Fairfield)

ss. _____

May 26, 2020

Personally appeared, Randall M. Salvatore, Manager of RMS 49 PRINCE STREET LLC, a Connecticut limited liability company, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as Manager, and the free act and deed of RMS 49 PRINCE STREET LLC, and that said instrument was signed on behalf of and with the authority of said limited liability company, before me.


Commissioner of the Superior Court
Notary Public

KAREN L. NUNEZ
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 6/30/2021

Tracy L. Morse
Tracy L. Morse
E. Myskowski
Edward Myskowski

CONNECTICUT HOUSING FINANCE
AUTHORITY

By: Natarajan
Name: Nandini Natarajan
Title: Chief Executive Officer - Executive Director
Duly Authorized

STATE OF CONNECTICUT)
COUNTY OF HARTFORD)

ss. Rocky Hill

May 21, 2020

Personally appeared, Nandini Natarajan, Chief Executive Officer - Executive Director of the CONNECTICUT HOUSING FINANCE AUTHORITY, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his/her free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.

Tracy L. Morse
~~Commissioner of the Superior Court~~
Notary Public

3/31/22

Exhibit A
[Property Description]

A certain piece or parcel located in the City and County of New Haven and State of Connecticut containing 20,500 square feet± 0.47062 Acres ± and being shown on a map entitled, "ALTA/NSPS LAND TITLE SURVEY 49 PRINCE STREET, NEW HAVEN CONNECTICUT", prepared by LANGAN CT, INC., 555 Long Wharf Drive, New Haven, CT 06511, Scale 1"=20' dated February 13, 2020, rev. 4/30/20 on file or to be filed in the New Haven Town Clerk's office, said parcel being more particularly bounded and described as follows:

Beginning at a point marking the intersection of the northwesterly street line of Prince Street and the easterly street line of Gold Street;
Thence running North 35° 39' 49" West, 111.45 feet along said easterly street line of Gold Street;
Thence running North 43° 41' 16" East, 152.15 feet along land now or formerly of Saint Anthony's Church;
Thence running North 46° 41' 41" East, 18.09 feet and South 42° 44' 24" East, 120.83 feet along land now or formerly of Yale University;
Thence running South 47° 26' 21" West, 183.67 feet along the northwesterly street line of Prince Street to the point and place of beginning.

Together with a Parking Space Lease from RMS Gold Street LLC to RMS 49 Prince Street LLC dated the date hereof and recorded in the New Haven Land Records.

OWNER'S CERTIFICATE OF CONTINUING LIHTC PROGRAM COMPLIANCE

To: Connecticut Housing Finance Authority
C/O Spectrum Enterprises, Inc.
545 Shore Road
Cape Elizabeth, ME 04107

- ☐ No buildings have been Placed in Service
☐ At least one building has been placed in Service but owner elects to begin credit period in the following year.
- If either of the above applies, please check the appropriate box, and proceed to page 3 to sign and date this form.

Certification Dates:	From: January 1, 20	To: December 31, 20	
Project Name:		Project No:	
Project Address:		City:	Zip:
Tax ID # of Ownership Entity:			

The undersigned _____ on behalf of _____

(the "Owner"), hereby certifies to the

Connecticut Housing Finance Authority ("the Authority") that:

- I. The project met the minimum requirements of: (check one)
 - ☐ 20 - 50 test under Section 42(g)(1)(A) of the Code
 - ☐ 40 - 60 test under Section 42(g)(1)(B) of the Code
 - ☐ Income Averaging test under Section 42(g)(1)(C) of the Code (**complete attached IA Tracking Sheet**)
- II. There has been **no change in the applicable fraction** (as defined in Section 42(c)(1)(B)) of any building in the project, or that there was a change and description of the change;
 - ☐ NO CHANGE ☐ CHANGE

If "Change" list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 4.
- III. The owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of Section 1.42-5;
 - ☐ YES ☐ NO
- IV. Each low-income unit in the project has been rent-restricted under Section 42(g)(2);
 - ☐ YES ☐ NO
- V. All units in the project were for use by the general public (as defined in Section 1.42-9), including the requirement that no finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, occurred for the project. A finding of discrimination includes an adverse final decision by the Secretary of the Department of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C. 3616a(a)(1), or an adverse judgment from a federal court;
 - ☐ YES ☐ NO
- VI. The buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Authority under paragraph (c)(1) of Section 1.42-5. In addition, the owner must state whether the violation has been corrected;
 - ☐ YES ☐ NO

- VII. There was no change in the eligible basis (as defined in Section 42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);

☐ NO CHANGE

☐ CHANGE

If "Change", state nature of the change on page 4.

- VIII. All tenant facilities included in the eligible basis under Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;

☐ YES

☐ NO

- IX. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

☐ YES

☐ NO

- X. If the income of tenants of a low-income unit in the building increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to tenants having a qualifying income;

☐ YES

☐ NO

- XI. An extended low-income housing commitment as described in Section 42(h)(6) was in effect (for buildings subject to Section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308-2311), including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to Section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 312, 438-439);

☐ YES

☐ NO

☐ N/A

- XII. All low-income units in the project were used on a nontransient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv);

☐ YES

☐ NO

☐ HOMELESS

- XIII.a The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42 (h)(5) of the code.

☐ YES

☐ NO (if NO, skip to question XIV)

- XIII.b If the answer to XIII.a was yes, is that participation ongoing?

☐ YES

☐ NO

- XIV. There has been no change in the ownership or management of the project;

☐ NO CHANGE

☐ CHANGE

If "Change", complete page 4 detailing the changes in ownership or management of the project.

- XV. The Owner complies with Internal Revenue Service ("IRS") Revenue Ruling 2004-82, which at Question and Answer 5, states that Internal Revenue Code ("IRC") Section 42(h)(6)(B)(i) requires that "an extended low-income housing commitment include a prohibition during the extended use period against (1) the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit (no-cause eviction protection) and (2) any increase in the gross rent with respect to the unit not otherwise permitted under § 42.

☐ YES

☐ NO

- XVI. The person responsible for the tax credit management of the property has attended LIHTC training within the past three years. Provide copy of certificate of continuing education.

☐ YES

☐ NO

- XVII. The housing provider has implemented mandated procedures in accordance with the Violence Against Women Act (VAWA) protection to all person covered by VAWA law. This includes but is not limited to notification and notice requirements, discretionary accommodations with leases, emergency transfer plans, occupancy rights, evictions and proper VAWA record retention and reporting requirements.

☐ YES

☐ NO

XVIII. The Owner confirms the project continues to meet the requirements of the Qualified Allocation Plan that was in effect at the time of their application, the specific scoring criteria that the project was awarded points for, and the certifications represented in the Consolidated Application submitted for the project.

☐ YES

☐ NO

If "NO", complete page 4 explaining why the property no longer meets the requirements.

Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form, unless permitted by the state agency.

The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

By: _____
(Signature)

(Ownership Entity)

(Please Print Name)

(Owner Phone Number)

Title: _____

(Owner Email)

Date: _____

Signed sealed and delivered in the presence of:

Notary: _____

Witness: _____ My commission expires: _____

Date of Execution: _____ (NOTARY PUBLIC SEAL)

PLEASE EXPLAIN ANY ITEMS THAT WERE ANSWERED "NO" OR "CHANGE" ON QUESTIONS 1-18. (EXCEPT XIIIa)

CHANGES IN OWNERSHIP OR MANAGEMENT
(to be completed **ONLY** if "CHANGE" marked for question 14 above)

[illegible]

TRANSFER OF OWNERSHIP

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
General Partnership:	
Status of Partnership (LLC, etc):	

CHANGES IN OWNER CONTACT

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

CHANGES IN MANAGEMENT CONTACT

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	

Connecticut Housing Finance Authority
Low Income Housing Tax Credit (LIHTC)
Income Averaging Tracking Sheet

The Connecticut Housing Finance Authority (CHFA) requires that this Income Averaging Tracking Sheet be completed to show all units in each building of your LIHTC project. Every unit in each tax credit building must be reported regardless of whether it is a tax credit unit.

Please note that the number of LIHTC units at each AMI% must match the Extended Low-Income Housing Commitment for Low Income Housing Credits. For units that are not Tax Credit qualified, please select the "MKT" column which applies to the unit. No entries should exist that are prior to the "placed in service date".

Project Name		Total No. of BINs	
Address		Buildings PIS Dates	
County		Total No. of Units (Including market)	
Report Period		No. of LIHTC Units	
Prepared by:		Date:	
AMI	Total # of Units		
20%			
30%			
40%			
50%			
60%			
70%			
80%			
Market Rate			
TOTAL			

EXHIBIT C

TENANT INCOME CERTIFICATION

Effective Date: _____

Move-in Date: _____
(MM/DD/YYYY)

☐ Initial Certification ☐ Recertification ☐ Other _____

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____ PISD: _____
Address: _____ Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

DEMOGRAPHIC INFO (LIHTC ONLY)

HH Mbr #	Last Name	First Name & M.I.	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student?	SS# - last 4 digits	Race	Ethnicity	Disabled?
1			HEAD						
2									
3									
4									
5									
6									
7									

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D), above

TOTAL INCOME (E): \$

PART IV. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total			Passbook Rate	
If over \$5000 \$			X 2.00%	= (J) Imputed Income \$
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	
			\$	

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY		
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 \$ 	Household Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	RECERTIFICATION ONLY: Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size: \$ _____ Household Income at Move-in: \$ _____	Household Size at Move-in: _____	

PART VI. RENT	
Tenant Paid Rent \$ _____ Utility Allowance \$ _____ GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$ 	Rent Assistance: \$ _____ Type: _____ Other non-optional charges: \$ _____ Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%
Maximum Rent Limit for this unit: \$ _____	

PART VII. STUDENT STATUS		
ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation) <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> Enter 1-5 </div>	*Student Explanation: 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return 5 Formerly in foster care

PART VIII. PROGRAM TYPE				
Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.				
a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> Income Status <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> Income Status <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> Income Status <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. <input type="checkbox"/> (Name of Program) _____ Income Status <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.				

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE _____

DATE _____

After recording, please return to:

Updike, Kelly & Spellacy, P.C.
100 Pearl Street, 17th Floor
Hartford, CT 06103
Attn: Michael P. Botelho

Receipt # 175137



Instr # 2020-04261

VOL 10009PG 277

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9 Pages

DECLARATION

Michael B. Smart City Clerk

DECLARATION OF LAND USE RESTRICTIVE COVENANT

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANT, (this "**Restrictive Covenant**") is made as of this 29th day of May, 2020 by **RMS 49 PRINCE STREET LLC**, a limited liability company organized and existing under the laws of the State of Connecticut and having a mailing address at 1 Landmark Square, Stamford, Connecticut 06901 (the "**Owner**") and is given as a condition precedent to the disbursement to Owner of certain financial assistance in the form of a loan (the "**Loan**") pursuant to the provisions of the Housing Trust Fund Program, as set forth in §§ 8-336m through 8-336q of the Connecticut General Statutes ("**CGS**"), as amended and in effect from time to time (the "**Act**"), as amended, in favor of the **STATE OF CONNECTICUT** (the "**State**"), acting herein by and through its Department of Housing ("**DOH**"), acting by its Commissioner of Housing (the "**Commissioner**").

WITNESSETH:

WHEREAS, the Owner is the owner of a certain parcel (or parcels) of real property commonly known as 49 Prince Street, New Haven, Connecticut and being more particularly described in Schedule A hereto (the "**Land**"); and

WHEREAS, the Owner is the developer of an affordable housing project located on the Land known as "Hill-to-Downtown: 49 Prince Street Project" and identified by the State as Project No. HT 1909301 (the "**Development**" and together with the Land, the "**Premises**"); and

WHEREAS, the Owner has requested financial assistance from the State for the rehabilitation or construction of the Development, including, without limitation, thirty (30) units of affordable housing (each an "**Affordable Unit**" and collectively, the "**Affordable Units**"), and the State has agreed to provide such financial assistance in accordance with the provisions of the Act and that certain agreement for financial assistance of even date herewith between the State and the Owner (the "**Assistance Agreement**"); and

WHEREAS, as a condition to its receipt of financial assistance from the State, the Owner has covenanted to maintain certain restrictions with respect to the rent to be charged for the Affordable Units and the income eligibility requirements of tenants residing in the Affordable Units, in each case for the period of time as specified in the Assistance Agreement; and

WHEREAS, the State requires as a condition precedent to the disbursement of the Loan proceeds that the Owner (a) execute, deliver and record this Restrictive Covenant on the official land records of the municipality in which the Land is located (the "**Municipality**") in order to create certain covenants running with the Land for the purpose of enforcing the requirements set forth herein and in the Assistance Agreement regulating and restricting the use, occupancy, operation and transfer of the Development, and providing that such covenants shall be binding upon all subsequent owners of the Development for such term, and are not merely personal covenants of the Owner and (b) consent to be

regulated by the State as provided herein and by any applicable statutes and rules, regulations, policies and procedures of the State.

NOW THEREFORE, in consideration of the disbursement of the Loan proceeds by the State, the Owner agrees as follows:

Section 1 - Definitions

All capitalized terms used herein but not otherwise defined herein shall have the meaning set forth in the Assistance Agreement. In the event of any conflict between the provisions set forth herein and the provisions of the Assistance Agreement, the provisions of the Assistance Agreement shall control.

Section 2 - Recording Filing, Covenants To Run With the Land

(a) Promptly upon the execution of this Restrictive Covenant by the Owner, the Owner shall cause this Restrictive Covenant to be filed on the land records of the Municipality, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall promptly transmit to the State a receipt of the same and shall cause the recorded Restrictive Covenant to be returned by the Municipality to the State. Promptly following the full execution of any amendment to this Restrictive Covenant, in each case subject to the terms herein, the Owner shall cause such amendments to be filed on the land records of the Municipality, shall pay all fees and charges incurred in connection therewith, and upon recording, the Owner shall promptly transmit to the State a receipt of the same and shall cause the recorded amendment to be returned by the Municipality to the State.

(b) The Owner intends, declares, and covenants, on behalf of itself and all future owners and operators of the Land and the Development during the term of this Restrictive Covenant, that this Restrictive Covenant and the covenants and restrictions set forth in this Restrictive Covenant: (1) shall be and are covenants running with the land, encumbering the Land and the Development for the term of this Restrictive Covenant, binding upon Owner and its respective successors in title and all subsequent owners and operators of the Land and the Development; (2) are not merely personal covenants of the Owner; and (3) shall bind the Owner and its respective successors and assigns during the term of this Restrictive Covenant (and the benefits shall inure to the State).

(c) The Owner hereby agrees that any and all requirements of the laws of the State of Connecticut to be satisfied in order for the provisions of this Restrictive Covenant to constitute deed restrictions and covenants running with the Land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Land.

(d) For the term of this Restrictive Covenant, each and every contract, deed or other instrument hereafter executed conveying the Land and/or the Development or any portion(s) thereof shall expressly provide that such conveyance is subject to this Restrictive Covenant, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Land and/or the Development or any portion(s) thereof provides that such conveyance is subject to this Restrictive Covenant.

(e) The Owner covenants to obtain the consent of any prior recorded lien holder on the Land and/or Development, as applicable, to this Restrictive Covenant and to furnish a copy of such consent to the State. Such consent(s) shall be furnished to the State on or before the date of this Restrictive Covenant.

Section 3 - Representations, Covenants and Warranties of the Owner

The Owner hereby represents, covenants, and warrants as follows:

(a) The Owner: (1) is a limited liability company duly organized under the laws of the State of Connecticut and is qualified to transact business under the laws of the State of Connecticut, (2) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (3) has the full legal right, power and authority to execute and deliver this Restrictive Covenant.

(b) The execution and performance of this Restrictive Covenant by the Owner (1) will not violate or, as applicable, has not violated, any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (2) will not violate or, as applicable, has not violated, any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Development is bound, and (3) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Owner will, at the time of execution and delivery of this Restrictive Covenant, have good and marketable fee simple title in and to the Land and the Development, free and clear of any lien or encumbrance (except for encumbrances created pursuant to this Restrictive Covenant, or other encumbrances permitted pursuant to the terms of this Restrictive Covenant and/or the Assistance Agreement, including that certain Declaration and Agreement of Restrictive Covenants by the Owner in favor of the Connecticut Housing Finance Authority ("**CHFA**") dated May 29, 2020 and to be recorded in the New Haven Land Records (the "**CHFA Restrictive Covenants**") and that certain Extended Low-Income Housing Commitment made by and between the Owner and CHFA dated May 29, 2020 and to be recorded in the New Haven Land Records (the "**ELIHC**").

(d) There is no action, suit, proceeding at law or in equity, or by or before any governmental body or instrumentality now pending, or, to the best of the knowledge of the Owner, threatened against or affecting it, the Land, the Development or any of the Owner's other properties or rights, which if adversely determined, would materially impair the Owner's right to carry on its business substantially as now conducted (and as now contemplated by this Restrictive Covenant) or would materially adversely affect its financial condition.

(e) All Affordable Units situated within the Development shall remain habitable, safe and sanitary according to all applicable building, fire, and health codes.

(f) Except as may otherwise be allowed herein and/or pursuant to the Assistance Agreement and/or pursuant to the CHFA Restrictive Covenants or the ELIHC, the Owner shall not convey, transfer, sell or encumber all or any portion of the Premises, or permit the same, without the prior written consent of the State.

(g) Subject to the requirements of the Act, this Restrictive Covenant, the Assistance Agreement and the prior written approval of the State, the Owner may convey, transfer, or sell the entire Premises, provided the Owner shall have notified in writing the transferee, buyer or other successor in interest acquiring the Premises in advance that such acquisition is subject to the requirements of this Restrictive Covenant and to the requirements of the Act and all applicable regulations. This provision shall not act to modify any other restriction on the conveyance, transfer, or sale of the Premises. The Owner agrees that the State may void any conveyance, transfer, or sale of the Premises if the Owner fails to provide such notice to the transferee, buyer or other successor in interest or if the transferee, buyer or other successor in interest fails to assume in writing the requirements of this Restrictive Covenant and the requirements of the Act.

(h) The Owner shall not demolish, or cause or suffer the demolition of, any portion of the Development, substantially subtract from any real or personal property at, on, or constituting a portion of the Premises, or permit the use of any residential unit situated within the Development for any purpose other than for residential purposes during the term of this Restrictive Covenant unless required by law or unless the State has given its prior written consent.

(i) If the Development, or any part thereof, shall be damaged, destroyed, condemned, or acquired for public use, the Owner will use its best efforts, subject to the rights of any mortgagee with rights senior to the State, to repair and restore the Development to substantially the same condition as existed prior to the event causing such damage or destruction, and in the case of a partial condemnation, to restore the Development to substantially the same condition as existed prior to such condemnation, to the extent feasible, and thereafter to operate the Development in accordance with the terms of this Restrictive Covenant.

(j) The Owner has not and will not execute any other restrictive covenant or other instrument with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Restrictive Covenant are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith. Notwithstanding anything in this Section 3(j) to the contrary, this Restrictive Covenant shall be subject and subordinate to the CHFA Restrictive Covenants and the ELIHC.

(k) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of the Act and applicable regulations or any provision of this Restrictive Covenant. Moreover, the Owner covenants to take any lawful action (including amendment of this Restrictive Covenant as may be necessary, in the opinion of the State) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by the State from time to time pertaining to the Owner's obligations under the Act or applicable regulations and affecting the Premises.

Section 4 - Income, Rent, Occupancy and Use Restrictions

(a) The Owner covenants and agrees that following the rehabilitation of the Development, notwithstanding any prepayment or other discharge of the Loan, at all times during the Affordability Period:

The Affordable Units shall comprise the following: (i) eighteen (18) studio Units; (ii) four (4) one-bedroom Units; and (iii) eight (8) two-bedroom Units, and shall be subject to the following affordability restrictions:

- (i) two (2) studio Affordable Units shall be restricted to families and persons whose income does not exceed twenty-five percent (25%) of the AMI, and have an initial rental limit of \$398 per month;
- (ii) six (6) studio Affordable Units shall be restricted to families and persons whose income does not exceed fifty percent (50%) of the AMI, and have an initial rental limit of \$858 per month;
- (iii) ten (10) studio Affordable Units shall be restricted to families and persons whose income does not exceed sixty percent (60%) of the AMI, and have an initial rental limit of \$1,042 per month;
- (iv) four (4) one-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed sixty percent (60%) of the AMI, and have an initial rental limit of \$1,107 per month; and

- (v) eight (8) two-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed sixty percent (60%) of the AMI, and have an initial rental limit of \$1,321 per month.

The threshold rents set forth above are calculated by adding base rent plus a utility allowance for any utilities paid for by the tenant of the applicable Affordable Unit. Any utility allowances for tenant paid utilities must be subtracted from these maximum rents. When DOH amends its rent limits, DOH shall make such information available to the Owner. The Owner shall not adjust rents except in accordance with the rental limits established by DOH under the Program or under the LIHTC Program, as applicable. The Owner shall provide each tenant a minimum of thirty (30) days prior written notice before implementing a rent increase.

Section 5 - Term of Restrictive Covenant

(a) This Restrictive Covenant, and the term of affordability specified herein (the "**Affordability Period**"), shall be effective immediately upon recordation of this Restrictive Covenant and shall terminate as to each Affordable Unit on the date that is forty (40) years after the date hereof. With respect to any covenants concerning any Affordable Units to be constructed following the recordation of this Restrictive Covenant, the Owner shall comply with all such covenants immediately upon the completion of the construction of such Affordable Units but in no event later than the Project Completion Date (which date in no event shall be later than December 31, 2022). DOH keeps records at its office from which it may be ascertained when the Project Completion Date (as defined in the Assistance Agreement) has occurred.

(b) Pursuant to the Act, as amended, this Restrictive Covenant shall remain in effect until the expiration of the Affordability Period as described in section 5(a) above, without regard to the term of any mortgage (regardless of the seniority of such mortgage relative to the mortgage securing the Owner's obligation to repay the Loan) or other underlying security and without regard to any transfer of ownership of the Premises or any portion thereof or any interest therein.

Section 6 - Enforcement of Restrictions

(a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the State, to inspect any books and records of the Owner regarding the Premises, including, without limitation, with respect to the incomes of any tenant of any Affordable Unit situated within the Development or any other information the State shall deem reasonably necessary to substantiate the Owner's continuing compliance with the covenants, restrictions, and other requirements set forth in this Restrictive Covenant.

(b) The Owner shall submit any other information, documents, or certifications requested by the State which the State shall deem reasonably necessary to substantiate the Owner's continuing compliance with the covenants, restrictions, and other requirements set forth in in this Restrictive Covenant.

(c) The Owner hereby agrees that the representations, warranties, and covenants set forth herein may be relied upon by the State. The Owner further agrees, upon request therefor from the State, to submit annual certifications and other reports to the State confirming that the Development is in compliance with the Act, all applicable regulations and the covenants and restrictions set forth in this Restrictive Covenant.

(d) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the covenants, restrictions and other requirements set forth in this Restrictive Covenant is to assure compliance of the Development and the Owner with the Act, all applicable regulations, and the terms of the Assistance Agreement, and by reason thereof, the Owner in consideration for receiving

the Loan proceeds for the Development, hereby agrees and consents that the State shall be entitled, for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Owner of its obligations under this Restrictive Covenant in a court of competent jurisdiction. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(e) The Owner agrees to take any and all actions reasonably required by the State to substantiate the Owner's compliance with the occupancy restrictions of the Act as now constituted or subsequently amended and all applicable regulations.

(f) In the event the Owner fails to satisfy the requirements of this Restrictive Covenant or the Assistance Agreement and legal costs are incurred by the State, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from the Owner.

Section 7 - Recordkeeping

(a) At all times during the Affordability Period, the Owner shall maintain and make available to the State any and all records, documents, and policies necessary which demonstrate compliance with this Restrictive Covenant, the Act and all applicable regulations.

(b) At all times during the Affordability Period, the Owner shall maintain all records as required by this Restrictive Covenant, the Act and all applicable regulations and shall take any and all actions reasonably required by the State to substantiate the Owner's compliance therewith. This Restrictive Covenant may be enforced by the State or its designee in the event the Owner fails to satisfy any of the requirements herein.

Section 8 - Miscellaneous

(a) **Severability.** The invalidity of any clause, part, or provision of this Restrictive Covenant shall not affect the validity of the remaining portions thereof.

(b) **Notices.** All notices to be given pursuant to this Restrictive Covenant shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The State and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

If to State:

Department of Housing
505 Hudson Street
Hartford, Connecticut 06106-7106
Attn: Commissioner of Housing

With a copy to:

Assistant Attorney General - Housing
165 Capitol Avenue
Hartford, Connecticut 06106

If to Owner:

RMS 49 Prince Street LLC
1 Landmark Square
Stamford, Connecticut 06901
Attn: Randall Salvatore

With a copy to:

Wofsey Rosen Kweskin & Kuriansky LLP
600 Summer Street
Stamford, CT 06901
Attn: Steven D. Grushkin, Esq.

or to such other address or person as shall be designated from time to time by notice.

(c) **Amendment.** The Owner agrees that, at the State's request, it will take all actions necessary to effect amendment of this Restrictive Covenant as may be necessary to comply with the Act and any and all applicable rules, regulations, policies, procedures, rulings, or other official statements pertaining to the Act. The State, together with the Owner, may execute and record any amendment or modification to this Restrictive Covenant provided such amendment or modification is in writing and executed by both the Owner and the State, or their respective successors or assigns. Any such amendment or modification shall be binding on any third-parties granted rights under this Restrictive Covenant.

(d) **Governing Law.** This Restrictive Covenant shall be governed by the laws of the State of Connecticut.

No Further Text on This Page – Signature Page Follows

[Signature Page of Declaration of Land Use Restrictive Covenant]

IN WITNESS WHEREOF, the Owner hereto has set its hand and seal the day and year first written above.

Signed, Sealed and Delivered
in the presence of:



Randall Salvatore

RMS 49 PRINCE STREET LLC

By: 

Name: Randall Salvatore
Title: Manager

STATE OF CONNECTICUT)
) ss.
COUNTY OF FAIRFIELD)

On this 29 day of May, 2020 before me, the undersigned officer, personally appeared Randall Salvatore, the duly authorized Manager of **RMS 49 PRINCE STREET LLC**, a Connecticut limited liability company organized and existing under the laws of the State of Connecticut, and that he, as such signer and being duly authorized to do so, executed the foregoing instrument as his free act and deed as such Manager, and the free act and deed of said limited liability company.

In Witness Whereof, I hereunto set my hand.



Commissioner of the Superior Court
Notary Public
My Commission Expires: **KAREN L. NUNEZ**
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 6/30/2021

Schedule A

Legal Description of Development

A certain piece or parcel located in the City and County of New Haven and State of Connecticut containing 20,500 square feet \pm 0.47062 Acres \pm and being shown on a map entitled, "ALTA/NSPS LAND TITLE SURVEY 49 PRINCE STREET, NEW HAVEN CONNECTICUT", prepared by LANGAN CT, INC., 555 Long Wharf Drive, New Haven, CT 06511, Scale 1"=20' dated February 13, 2020, rev. 4/30/20 on file in the New Haven Town Clerk's office in Map Volume 62 at Page 201, said parcel being more particularly bounded and described as follows:

Beginning at a point marking the intersection of the northwesterly street line of Prince Street and the easterly street line of Gold Street;
Thence running North 35° 39' 49" West, 111.45 feet along said easterly street line of Gold Street;
Thence running North 43° 41' 16" East, 152.15 feet along land now or formerly of Saint Anthony's Church;
Thence running North 46° 41' 41" East, 18.09 feet and South 42° 44' 24" East, 120.83 feet along land now or formerly of Yale University;
Thence running South 47° 26' 21" West, 183.67 feet along the northwesterly street line of Prince Street to the point and place of beginning.

Together with a Parking Space Lease from RMS Gold Street LLC to RMS 49 Prince Street LLC dated May 22, 2020 and recorded contemporaneously herewith in the New Haven Land Records.

06/04/2020 12:26:20 PM
Michael B. Smart City Clerk
City of New Haven

After recording, please return to:

Updike, Kelly & Spellacy, P.C.
100 Pearl Street, 17th Floor
Hartford, CT 06103
Attn: Michael P. Botelho, Esq.

Receipt # 175137



Instr # 2020-04264

VOL 10010PG 1

06/04/2020 12:26:20 PM

20 Pages

MORTGAGE

Michael B. Smart City Clerk

CONSTRUCTION MORTGAGE DEED, SECURITY AGREEMENT AND FIXTURE FILING

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING: KNOW YE, that on this 29th day of May, 2020, **RMS 49 PRINCE STREET LLC**, a limited liability company organized and existing under the laws of the State of Connecticut and having a mailing address of 1 Landmark Square, Stamford, Connecticut 06901 (the "**Mortgagor**"), for the consideration of Two Million Seven Hundred Fifty-One Thousand and 00/100 Dollars (\$2,751,000.00) and other valuable consideration received to Mortgagor's full satisfaction of the **STATE OF CONNECTICUT**, acting by and through its **DEPARTMENT OF HOUSING**, with an office and principal place of business located at 505 Hudson Street, Hartford, Connecticut (the "**Mortgagee**"), does give, grant, bargain, sell and confirm unto Mortgagee, its successors and assigns forever, all of Mortgagor's interest in, to and under those certain pieces or parcels of land, with the buildings and improvements thereon, commonly known as 49 Prince Street, New Haven, Connecticut and more particularly described on Schedule A hereto attached and made a part hereof (the "**Premises**") together with the following property and rights (the Premises together with such property and rights, hereinafter collectively referred to as the "**Mortgaged Property**"):

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

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

(c) All machinery, apparatus, equipment, fittings, fixtures, and articles of personal property owned by Mortgagor of every kind and nature whatsoever, now or hereafter located in any Building or upon the Premises, or any part thereof, and used or usable in connection with any present or future occupancy of said Building and now owned or hereafter acquired by Mortgagor (hereinafter referred to as "**Service Equipment**") including, but without limiting the generality of the foregoing, all heating, lighting, laundry, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus, air cooling and air conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors, and windows, stoves, wall beds, refrigerators, attached cabinets, partitions, ducts and compressors (including all right, title and interest of Mortgagor in and to any Service Equipment which may be subject to any title retention or security agreement); it being understood and agreed that all such Service Equipment is and shall continue to be deemed part and parcel of the Premises and appropriated to the use thereof, and whether affixed or annexed to the Premises or not, shall for the purpose of this Construction Mortgage Deed, Security Agreement and Fixture Filing (this "**Mortgage**") be deemed conclusively to be real estate and mortgaged hereby; and Mortgagor agrees to execute and deliver, from time to time, such further instruments (including any security agreements) as may be reasonably requested by Mortgagee to confirm the lien of this Mortgage on any Service Equipment;

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

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

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

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

(h) All tangible or intangible property of Mortgagor now or hereafter used in, arising out of, or relating to the construction, ownership, use, sale or operation of the Premises,

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

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

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

TO HAVE AND TO HOLD the Mortgaged Property, with the privileges and appurtenances thereof, unto Mortgagee, its successors and assigns forever, to its and their own proper use and behoof. And also, Mortgagor does for itself and its successors and assigns covenant with Mortgagee, its successors and assigns, that at and until the ensealing of these presents it is well seized and has a good, insurable fee simple interest in and to the Mortgaged Property and has the full power, authority and right to execute, deliver and perform the obligations under this Mortgage and to encumber, mortgage, transfer, give, grant, bargain, sell, alienate, convey, confirm, warrant, pledge, assign and hypothecate the same and that Mortgagor possesses an unencumbered fee simple interest in the Mortgaged Property as aforesaid, free and clear of all liens, encumbrances and charges whatsoever, except for the prior lien rights of the Connecticut Housing Finance Authority (the "**Senior Lender**") in respect of that certain construction and permanent loan from the Senior Lender to the Mortgagor in an amount not to exceed \$3,750,000 (the "**Senior Loan**") and such encumbrances as are listed as exceptions to title in the title insurance policy dated of even date herewith, issued by First American Title Insurance Company to Mortgagee and insuring the lien of this Mortgage (the "**Permitted Encumbrances**").

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

THE CONDITION OF THIS DEED IS SUCH THAT

WHEREAS, on this date, Mortgagee has agreed to make a loan to Mortgagor in the principal sum of Two Million Seven Hundred Fifty-One Thousand and 00/100 Dollars (\$2,751,000.00) (the "**Loan**") pursuant to the terms of a certain Assistance Agreement between Mortgagor and Mortgagee of even date herewith (the "**Assistance Agreement**"), the proceeds of which are to be used in compliance with the provisions of the Housing Trust Fund Program as set forth in §§ 8-336m through 8-336q of the Connecticut General Statutes ("**CGS**"), as amended and in effect from time to time. The Assistance Agreement provides that the Loan shall be repaid by Mortgagor to Mortgagee upon the occurrence of an Event of Default in said Assistance Agreement and in accordance with the terms of the Note (as defined below). Capitalized words and terms used herein and not otherwise defined herein shall have the

meaning ascribed thereto in the Assistance Agreement. A copy of the Assistance Agreement is on file at the office of Mortgagee set forth above; and

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

WHEREAS, the Loan is evidenced by the Promissory Note of Mortgagor of even date herewith in favor of Mortgagee (the "**Note**"), a copy of which is attached hereto as Schedule B and is made a part hereof; and

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

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

WHEREAS, Mortgagor agrees to complete the erection or repair of said Improvements to the satisfaction of Mortgagee within a reasonable time from the date hereof, and at the latest on or before December 31, 2022.

WHEREAS, this Mortgage shall constitute a "mortgage to secure future advances of money for construction and repair of buildings or improvements on land" within the meaning of Section 49-3 of the Connecticut General Statutes, as the same may be amended from time to time.

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

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

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

3. Insurance. Mortgagor shall keep the Mortgaged Property insured for the benefit of Mortgagee against loss or damage by fire, flood, if available, and other so-called extended

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

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

The rights of Mortgagee under this Section 3 shall be subject and subordinate to the rights of the Senior Lender.

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

5. Restrictions on Sale and Use of Property, Encumbrances, Liens Etc. Except as otherwise set forth herein or in the Assistance Agreement, Mortgagor will not sell, suffer change

in title or ownership of, or otherwise transfer, or vest title in anyone other than Mortgagor to, all or any part of, the Mortgaged Property or any portion thereof. Mortgagor shall not permit or allow any further mortgages, liens or encumbrances against the Mortgaged Property, other than the Permitted Encumbrances, without the consent of the Mortgagee.

6. Eminent Domain. In the event that the whole or any part of the Mortgaged Property shall be taken by eminent domain, or in the event of any alteration of the grade of any street or highway, or if any other injury to or decrease in value of the Mortgaged Property, or the reacquisition of the whole or any part of the Mortgaged Property pursuant to the terms of any redevelopment plan or agreement affecting the Mortgaged Property or if any agreement shall be made between Mortgagor and any entity vested with the power of eminent domain, any and all awards and payments on account thereof shall be deposited with Mortgagee as its interests may appear. Mortgagor shall give Mortgagee prompt notice of the actual or threatened, in writing, commencement of any of the foregoing proceedings, and shall deliver to Mortgagee copies of all papers served in connection with any such proceedings. Mortgagee shall have the right to intervene and participate in any proceedings for and in connection with any such taking, unless such intervention shall be prohibited by the Court having jurisdiction over such taking, in which event Mortgagor shall consult with Mortgagee in connection with such proceedings; and Mortgagor shall not enter into any agreement with regard to the Mortgaged Property or any award or payment on account thereof unless Mortgagee shall have consented thereto in writing.

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

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

The rights of Mortgagee under this Section 6 shall be subject and subordinate to the rights of the Senior Lender.

7. Right to Cure. At its option, Mortgagee may pay any expense or item (including, but not limited to, taxes, rates, assessments, other charges, insurance premiums, maintenance and repair expenses, expenses incurred in protection of the lien of this Mortgage, etc.) which

Mortgagor herein agrees to pay, in case Mortgagor shall fail to pay the same when due (or within any applicable grace and/or cure period), and may perform any acts or covenants which Mortgagor herein agrees and shall fail to perform, and may add the same, and the expense thereof, including, but not limited to, reasonable counsel fees and other costs, charges and disbursements incurred by Mortgagee in connection therewith, to the obligations secured hereby or may at its option deduct same from any part of money thereafter advanced; and Mortgagor agrees to repay promptly, on demand, the same to Mortgagee, and, to the extent permitted by applicable law, the same shall be a lien upon the Mortgaged Property prior to any right, title, interest, lien or claim thereto, or thereon attaching or accruing subsequent to the lien of this Mortgage and shall be secured by this Mortgage.

The rights of Mortgagee under this Section 7 shall be subject and subordinate to the rights of the Senior Lender.

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

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

The rights of Mortgagee under this Section 8 shall be subject and subordinate to the rights of the Senior Lender.

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

10. Protection of Lien. Mortgagor shall pay all reasonable and necessary costs, expenses and counsel fees incurred by Mortgagee in protecting or sustaining the lien of this

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

11. Receiver. Mortgagee in any action to foreclose this Mortgage, or upon the actual or threatened waste to any part of the Mortgaged Property, or upon occurrence of a default by Mortgagor under this Mortgage, shall be at liberty to apply for the appointment of a receiver of the rents and profits of the Mortgaged Property without notice, and shall be entitled to the appointment of such receiver as a matter of right, without consideration of the value of the Mortgaged Property as security for the amounts due to Mortgagee, or the solvency of any person or corporation liable for the payment of such amounts.

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

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

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

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

16. Security Agreement and Fixture Filing. This Mortgage is intended to be a security agreement pursuant to the UCC for all of the fixtures and other goods, property rights and income relating to or derived from the Mortgaged Property as described above which, under applicable law may be subject to a security interest pursuant to the UCC, and Mortgagor hereby agrees that Mortgagee is authorized, without the need of signature by Mortgagor, to file financing statements naming Mortgagor as debtor from time to time and in such form as Mortgagee may require to perfect and maintain a security interest with respect to said fixtures and other goods, property rights and/or income. It is intended by Mortgagor and Mortgagee that this Mortgage be effective under the UCC as a financing statement filed with the real estate records as a fixture filing. Mortgagor shall pay all costs of filing such statements and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may reasonably require. Except as otherwise set forth in the Assistance Agreement, without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the UCC or otherwise any other security interest in the fixtures and other goods, including replacements and additions thereto, property rights and/or income subject to the lien of this Mortgage.

The rights of Mortgagee under this Section 16 shall be subject and subordinate to the rights of the Senior Lender.

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

18. Prejudgment Remedy Waiver. Mortgagor represents, warrants and acknowledges that the transaction of which this Mortgage is a part is a "commercial transaction" as defined by the CGS. Monies now or in the future to be advanced to or on behalf of Mortgagor are not and will not be used for personal, family or household purposes. MORTGAGOR HEREBY WAIVES ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER UNDER CGS § 52-278a ET SEQ., AS AMENDED, OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES, MORTGAGEE MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER. MORTGAGOR FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND IN CONNECTION WITH MORTGAGEE'S EXERCISE OF ANY PREJUDGMENT REMEDY.

19. Waiver by Jury Trial. MORTGAGOR WAIVES TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTION OF WHICH THE ASSISTANCE AGREEMENT AND THIS MORTGAGE ARE A PART AND/OR IN THE DEFENSE OR ENFORCEMENT BY MORTGAGEE OR ANY OF MORTGAGEE'S RIGHTS AND REMEDIES HEREUNDER OR UNDER APPLICABLE LAW. MORTGAGOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY.

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

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

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

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

(b) An Event of Default under the Assistance Agreement, a default under any of the other Project Documents or a default under the Senior Loan, in each instance, beyond any applicable period of notice or cure provided thereunder.

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

(d) The filing by Mortgagor of any petition, arrangement, reorganization, or the like under any insolvency or bankruptcy law and such petition shall not have been vacated within sixty (60) days after the filing thereof, or the adjudication of Mortgagor as a bankrupt in an involuntary case and such judgment or decree is not vacated or set aside within sixty (60) days

after the rendering thereof, or the making of an assignment for the benefit of creditors, or the appointment of a receiver or custodian for any part of any of its properties, or a calling of a meeting of creditors or liquidating agents or offering of a composition or extension to creditors by, for or on behalf of Mortgagee.

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

(f) Failure of Mortgagor to perform or observe any other covenant or agreement to be observed or performed by Mortgagor pursuant to the Restrictive Covenant, subject to any applicable notice and cure periods.

23. Miscellaneous Provisions.

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

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

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

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

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

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

be given hereunder, or the address to which such notices are to be sent, by notice duly given hereunder.

24. **Notices.** Any notice provided for herein shall be deemed to have been given if made in writing and personally delivered or mailed, certified or registered mail, return receipt requested, postage prepaid to the Mortgagor and Mortgagee at the addresses set forth below or to such other address as Mortgagor or Mortgagee may designate by written notice to the other as provided herein:

To Mortgagee: State of Connecticut
Department of Housing
505 Hudson Street
Hartford, Connecticut 06106-7106
Attn: Commissioner of Housing

With a copy to: Assistant Attorney General- Housing
165 Capitol Avenue
Hartford, Connecticut 06106

To Mortgagor: RMS 49 Prince Street LLC
1 Landmark Square
Stamford, Connecticut 06901
Attn: Randall Salvatore

With a copy to: Wofsey Rosen Kweskin & Kuriansky LLP
600 Summer Street
Stamford, CT 06901
Attn: Steven D. Grushkin, Esq.

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

NOW THEREFORE, if the obligations which in accordance with the provisions hereof shall be secured hereby, and any extensions or renewals thereof and any and all other amounts due hereunder or under the Assistance Agreement and the Note shall be well and truly paid according to their tenor, and if all agreements and provisions contained herein and in the Assistance Agreement and the Note are fully kept and performed, then this Mortgage shall become null and void; otherwise to remain in full force and effect.

[Remainder of page intentionally left blank, signature page follows.]

SCHEDULE A

LEGAL DESCRIPTION OF PROPERTY

A certain piece or parcel located in the City and County of New Haven and State of Connecticut containing 20,500 square feet \pm 0.47062 Acres \pm and being shown on a map entitled, "ALTA/NSPS LAND TITLE SURVEY 49 PRINCE STREET, NEW HAVEN CONNECTICUT", prepared by LANGAN CT, INC., 555 Long Wharf Drive, New Haven, CT 06511, Scale 1"=20' dated February 13, 2020, rev. 4/30/20 on file in the New Haven Town Clerk's office in Map Volume 62 at Page 201, said parcel being more particularly bounded and described as follows:

Beginning at a point marking the intersection of the northwesterly street line of Prince Street and the easterly street line of Gold Street;

Thence running North 35° 39' 49" West, 111.45 feet along said easterly street line of Gold Street;

Thence running North 43° 41' 16" East, 152.15 feet along land now or formerly of Saint Anthony's Church;

Thence running North 46° 41' 41" East, 18.09 feet and South 42° 44' 24" East, 120.83 feet along land now or formerly of Yale University;

Thence running South 47° 26' 21" West, 183.67 feet along the northwesterly street line of Prince Street to the point and place of beginning.

Together with a Parking Space Lease from RMS Gold Street LLC to RMS 49 Prince Street LLC dated May 22, 2020 and recorded contemporaneously herewith in the New Haven Land Records.

SCHEDULE B

COPY OF PROMISSORY NOTE

COPY

PROMISSORY NOTE

\$2,751,000.00

New Haven, Connecticut
May 29, 2020

FOR VALUE RECEIVED, RMS 49 PRINCE STREET LLC, a limited liability company organized and existing under the laws of the State of Connecticut and having a mailing address of 1 Landmark Square, Suite 220, Stamford, Connecticut 06901 ("**Borrower**"), promises to pay to the order of **THE STATE OF CONNECTICUT**, its successors, assigns, and any other holder or transferee of this Note (herein called "**Lender**"), at the office of the State of Connecticut Department of Housing, 505 Hudson Street, Hartford, Connecticut 06106 or at such other place as the holder of this Note shall from time to time designate, the principal sum of **Two Million Seven Hundred Fifty-One Thousand and 00/100 Dollars (\$2,751,000.00)** (the "**Loan**"), or so much thereof as may be advanced hereunder as provided under the terms of the Assistance Agreement between Borrower and Lender and dated of even date herewith (the "**Assistance Agreement**") with interest commencing twelve (12) months from the date hereof on the unpaid principal balance of this Note at the rate or rates hereinafter set forth, until all sums due hereunder shall have been fully paid, except that if not sooner paid, the entire unpaid principal balance plus interest accrued thereon shall be due and payable on the fortieth (40th) anniversary of the date hereof (the "**Maturity Date**"). The principal amount of this Note shall be advanced by Lender to Borrower, if at all, pursuant to the terms and conditions of the Assistance Agreement.

This Note is secured by a mortgage (the "**Mortgage**") on Borrower's interest in the real property known as 49 Prince Street, New Haven, Connecticut and such other property as is more fully described in the Mortgage (collectively, the "**Mortgaged Property**").

Unless otherwise stated or unless the context otherwise requires, all capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the Assistance Agreement.

Commencing twelve (12) months from the date hereof, interest shall accrue on all amounts outstanding hereunder at the annual interest rate of one percent (1.0%) per annum (the "**Interest Rate**"). Interest shall be computed on the basis of a year of three hundred sixty (360) days and actual days elapsed.

No payments of principal or interest shall be due to Lender during the term of this Note so long as Borrower does not commit or there does not exist a default hereunder or under the Assistance Agreement beyond any applicable period of grace, notice or cure. Interest shall accrue on the outstanding principal balance of this Note at the Interest Rate and interest and principal, if not sooner paid, shall be paid in one (1) installment on the Maturity Date.

Upon default or on the Maturity Date, the outstanding principal balance of this Note shall bear additional interest from the date of such default or of maturity at the rate of five percent (5.0%) per annum above the Interest Rate until all outstanding principal, all accrued interest, and all other amounts due and payable in accordance with this Note shall have been paid.

It is the intent of Borrower and Lender to comply at all times with the usury and other applicable United States federal laws or laws of the State of Connecticut (to the extent not

preempted by federal law, if any) now or hereafter governing the interest payable on this Note, to the extent any of the same are applicable hereto. If any such laws are revised, repealed or judicially interpreted so as to render usurious any amount called for under this Note or any other instrument securing the payment of this Note, or the maturity of this Note is accelerated as herein provided or if any prepayment by Borrower results in Borrower's having paid any interest in excess of that permitted by law, then it is Borrower's and Lender's intent that notwithstanding any provision to the contrary contained in this Note (i) all excess amounts theretofore collected by Lender be credited to the principal balance of this Note (or, if this Note has been paid in full, refunded to Borrower) and (ii) the provisions of this Note immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law.

Borrower may prepay the principal of the Loan and all accrued interest and other amounts due thereon in whole or in part at any time without penalty or premium provided the Borrower gives advance written notice thereof to Lender. Any and all permitted prepayments shall be applied first to accrued and unpaid interest, if any, and then to unpaid principal in the inverse order of maturity, and shall not affect the obligation of Borrower to pay the amounts required hereunder until the entire indebtedness has been paid in full. No prepayment hereunder shall modify the Affordability Period.

Any payment made hereunder may, in the sole discretion of Lender, be applied as follows: first, to the payment of any costs, fees or expenses owed to Lender hereunder; second, to the payment of interest accrued to the date of such payment; and third, to the payment of principal.

Said sums shall be payable together with all lawful taxes and assessments levied thereon, or upon this Note, or upon Lender with respect to the same, and together with the reasonable fees of the attorneys of Lender and all costs and expenses if this Note is placed in the hands of a third party for collection or in any proceeding instituted to collect said sums, to foreclose, or to protect or sustain the lien of any security which may be given to secure the payment of this Note, or in any litigation or controversy arising from or connected with this Note, the Mortgage securing the same, or the Assistance Agreement.

The existence of any of the following events or conditions beyond any applicable period of grace, notice or cure shall be a default under this Note:

1. If Borrower shall fail to pay any amount due under the terms of this Note and if such failure shall continue for thirty (30) days after Lender sends Borrower written notice of such default, or if more than two (2) such defaults in payment be made in any twelve (12) month period; or
2. If an Event of Default shall occur under the terms of the Assistance Agreement; or
3. If Borrower or any maker or endorser shall be in default of or fail to keep and perform any of the agreements or provisions contained in this Note and such default or failure shall continue for thirty (30) days after Lender sends Borrower written notice of such default or failure; or

COPY

4. If the United States of America, the State of Connecticut or any agency or subdivision thereof, imposes a tax, levy, or assessment on or concerning this Note, that Borrower is obligated to pay and cannot lawfully pay, or does not pay when due.

Upon the happening of any default specified above, (i) the obligation of Lender to make Disbursements of the Loan shall, in Lender's sole discretion, be terminated and (ii) the whole of the indebtedness evidenced hereby, both the outstanding principal balance and all accrued interest, if any, along with any other sums which may become due hereunder, including, but not limited to, any reasonable fees, costs and expenses payable pursuant to this Note, may, at the option of Lender, immediately become due and payable automatically, and without presentment, demand, protest, notice of protest, or other notice or notice of dishonor of any kind, all of which are hereby expressly waived by the undersigned.

Failure to exercise any option of Lender granted herein or in any other Project Documents that secure this Note, to accelerate payment of said principal and accrued interest shall not constitute a waiver of the right to exercise such option at a subsequent time so long as such default remains uncured, nor shall the same constitute a waiver of the right to exercise any such option in the event of any subsequent default. The rights, remedies and option of Lender to declare the entire principal and accrued interest immediately due and payable as provided in this Note shall be in addition to all other rights, remedies, and options of Lender to declare said principal and accrued interest immediately due and payable, as provided in any other loan documents that secure this Note.

To the extent permitted by applicable law, Borrower, and each endorser and surety for themselves and each of their legal representatives, successors and assigns, expressly waives presentment, demand, protest, notice of dishonor, notice of nonpayment, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity, diligence in collection, and the benefit of any exemption under the homestead exemption laws, if any, or any other exemption or insolvency laws, now in force or which may hereafter become law, and consents that Lender may release or surrender, exchange or substitute for other collateral any real estate and/or personal property or other collateral security now held or which may hereafter be held as security for the payment of all sums due under this Note, and may extend the time for payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced hereby and the addition or release of any party or person primarily or secondarily liable.

EACH AND EVERY MAKER, ENDORSER AND SURETY OF THIS NOTE, AND EACH OTHER PERSON OR ENTITY WHO MAY BECOME LIABLE FOR ALL OR ANY PART OF THIS OBLIGATION, HEREBY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A COMMERCIAL TRANSACTION, AND THE PROCEEDS OF THIS NOTE ARE TO BE UTILIZED IN BORROWER'S BUSINESS ACTIVITIES AND WILL NOT BE USED FOR CONSUMER PURPOSES, AND TO THE EXTENT ALLOWED UNDER CONNECTICUT GENERAL STATUTES SECTION 52-278a TO 52-278m, INCLUSIVE, AS NOW OR HEREAFTER AMENDED, OR BY OTHER APPLICABLE LAW, EACH AND EVERY MAKER, ENDORSER AND SURETY OF THIS NOTE HEREBY WAIVES (A) ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER IN CONNECTION WITH ANY AND ALL PREJUDGMENT REMEDIES TO WHICH LENDER MAY BECOME ENTITLED BY VIRTUE OF ANY DEFAULT OR PROVISION OF THIS NOTE OR ANY MORTGAGE OR SECURITY AGREEMENT SECURING THIS NOTE AND (B) ALL RIGHTS TO REQUEST THAT LENDER POST A BOND, WITH OR WITHOUT SURETY, TO PROTECT SAID MAKER, ENDORSER OR SURETY AGAINST DAMAGES THAT MAY BE CAUSED BY ANY PREJUDGMENT REMEDY SOUGHT OR OBTAINED BY LENDER BY VIRTUE OF ANY

DEFAULT OR PROVISION OF THIS NOTE OR ANY MORTGAGE OR SECURITY AGREEMENT SECURING THIS NOTE.

The waivers contained herein shall be continuing waivers and shall remain in full force and effect so long as Borrower is indebted to Lender under this Note.

Borrower hereby submits to personal jurisdiction in Connecticut for the enforcement of Borrower's obligations hereunder, and waives any and all personal rights under the law of any other state to object to jurisdiction within such other state for the purposes of litigation to enforce such obligations of Borrower.

Except to the extent preempted by applicable federal law, the laws of the State of Connecticut shall govern all aspects of this Note, including, without limitation, execution, interpretation, performance, and enforcement.

To the extent any provision of this Note is not enforceable under applicable law, such provision shall be deemed null and void to the extent of such prohibition or unenforceability and shall have no effect on the remaining portions of this Note.

This Note may not be modified, amended, changed, discharged or terminated orally but only by an agreement in writing signed by the party against whom the enforcement of such modification, amendment, change, discharge or termination is sought.

Borrower represents that it and its officer executing this Note on its behalf have full power, due authority and legal right to execute and deliver this Note and represents that the indebtedness evidenced by this Note constitutes a valid and binding obligation of Borrower.

[Remainder of page intentionally left blank, signature page follows.]

COPY

[Signature Page to Promissory Note]

IN WITNESS WHEREOF, Borrower has hereunto set its hand and seal this the day and year first written above.

RMS 49 PRINCE STREET LLC

By: 

Name: Randall Salvatore
Title: Manager

06/04/2020 12:26:20 PM
Michael B. Smart City Clerk
City of New Haven



**ASSIGNMENT, ASSUMPTION AND MOI
CITY FILE NO. A20-0268**

THIS ASSIGNMENT, ASSUMPTION AND MODIFICATION AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into as of this 29 day of May, 2020 (the "Effective Date"), by and among **RMS DOWNTOWN SOUTH-HILL NORTH DEVELOPMENT COMPANY, LLC** a for-profit organization having its principal place of business at 1 Landmark Square, Stamford, Connecticut ("RMS Downtown"), (the "Assignor"), the **CITY OF NEW HAVEN**, a Connecticut municipal corporation (the "City") and **RMS 49 PRINCE STREET LLC**, a limited liability company having a principal place of business at k1 Landmark Square, Stamford, Connecticut 06901 and organized under the laws of the State of Connecticut ("49 Prince Street", hereinafter referred to as "Assignee" and together with RMS Downtown, the Assignor, and the City, collectively, the "Parties")).

WITNESSETH:

WHEREAS, the Assignor is the recipient of a Community Development Block Grant in the amount of Five Hundred Thousand Dollars and zero cents (\$500,000.00); (the "CDBG Funds") to be utilized toward eligible predevelopment activity to be performed at the property located at 49 Prince Street in New Haven, Connecticut (the "Property") pursuant to the terms and conditions as set forth in the Second Amended and Restated Development Agreement and Land Disposition Agreement (the "DLDA") by and among the City, the New Haven Redevelopment Agency and the Assignor dated August 21, 2016 and recorded in Volume 9483 at Page 1 of the New Haven Land Records; and

WHEREAS, the City and Assignor entered into that certain CDBG Agreement (A18-0269) dated April 5, 2018 (the "Grant Agreement") attached hereto as Schedule A for the purpose of setting forth the terms and conditions for the utilization and disbursement of the CDBG Funds; and

WHEREAS, pursuant to the terms and conditions of the DLDA, the City is to convey the Property to the Assignor for purposes of carrying out certain development activities in accordance therewith; and

WHEREAS, to assist in the development of the Property, the Assignor has been awarded low income housing tax credits ("LIHTC") financing, which program financing has been established to encourage the development of affordable housing projects; and

WHEREAS, in order to facilitate the LIHTC financing and with the consent of the City and the New Haven Redevelopment Agency, the Assignor has conveyed its interest in the Property and all of its right, title, and interest in and to the DLDA with respect to the Property to Assignee; and

WHEREAS, the members of Assignee will be the LIHTC investor, which will be the majority owner of Assignee, and RMS New Haven II LLC, which is 100% owned by Randall M. Salvatore and the RC Family Trust (the "RMS Member") and which would be considered an

"Affiliate" under the DLDA to which an assignment of Assignor's rights and obligations under the DLDA with respect to the Property would be permitted as of right; and

WHEREAS, Assignee shall be managed and controlled with respect to the redevelopment of the Property in accordance with the requirements of the DLDA by Randall M Salvatore, who is the Manager of Assignee and who is also the Manager of Assignor; and

WHEREAS, Randall M. Salvatore is also the Manager of the Assignor; and

WHEREAS, Assignee now desires to assume and perform Assignor's duties, obligations, covenants, and conditions set forth in the Grant Agreement, as hereinafter amended; and

WHEREAS, the City has disbursed CDBG Funds in the amount of Two Hundred Ninety-One Thousand One Hundred Forty-Eight Dollars and Fifty-Eight Cents (\$291,148.58) (the "Grant Funds") to Assignor pursuant to the terms and conditions of the Grant Agreement; and

WHEREAS, Assignee hereby acknowledges disbursement of the Grant Funds to Assignor; and

WHEREAS, Assignee and the City further desire to modify the terms of the Grant Agreement such that the remaining CDBG Funds in the amount of Two Hundred Eight Thousand Eight Hundred Fifty One Dollars and Forty Two Cents (\$208,851.42) (the "Loan Funds") be converted from a grant to a low interest loan; and

WHEREAS, the City wishes to consent to the assignment, assumption and modification of the Grant Agreement, subject to Assignee's execution of this Assignment, Assumption and Modification, a note and open end mortgage deed to be secured by the Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. Assignment. Effective as of the date hereof, the Assignor hereby assigns and transfers to Assignee all of its interest in, to and under the Grant Agreement, together with all obligations specified therein. The Assignor represents to Assignee, its successors and assigns, and the City agrees that as of the date of this Agreement, the Grant Agreement is in effect and that the Assignor represents to the Assignee that the Assignor has good right to assign and transfer the Grant Agreement to Assignee.

2. Assumption. Effective as of the date hereof, Assignee expressly assumes, all of the Assignor's interest in, to and under the Grant Agreement, including the performance of the Assignor's obligations under the Grant Agreement and agrees to perform all covenants, conditions, duties and obligations contained therein in accordance with the terms thereof as modified herein..

3. Disbursement, Assignee expressly acknowledges, as of the date hereof, the City has previously disbursed the Grant Funds to Assignor per the terms and conditions of the Grant Agreement, and no request for disbursement of the Grant Funds shall be made by the Assignee.

4. Consent to Conveyance. The City hereby consents to the assignment to, and assumption by, Assignee of the Grant Agreement. The City hereby affirms that the Assignor is in compliance with the terms and conditions of the Grant Agreement as of the date hereof.

5. Amendments to the Grant Agreement. The City and the Assignee hereby agree that the Grant Agreement shall be amended and modified to reflect the conversion of the remaining CDBG Funds from a grant to a low interest loan as follows:

a. Wherever the Grant Agreement refers to the Recipient, such reference unless otherwise specified to the contrary, shall refer to the Assignee.

b. 6th Whereas paragraph is hereby amended and restated as follows:

“**WHEREAS**, to enable the Recipient to substantially rehabilitate the property located at **49 Prince Street** in New Haven, Connecticut (the “Property”) upon acquisition thereof (the “Project”) pursuant to the terms and conditions as set forth in the Second Amended and Restated Development Agreement and Land Disposition Agreement by and among the City, the New Haven Redevelopment Agency and RMS Downtown South-Hill North Development Company LLC dated August 21, 2016 and recorded in volume 9483 at page 1 of the New Haven Land Records, the City provided a grant in the amount of Two Hundred Ninety-One Thousand One Hundred Forty-Eight Dollars and Fifty-Eight Cents (\$291,148.58) (the “Grant Funds”) to RMS Downtown South-Hill North Development Company LLC for eligible pre-development activities for the Property, which activities the Recipient will use in its development of the “Project. The City is hereby further providing a deferred loan in the amount of Two Hundred Eight Thousand Eight Hundred Fifty One Dollars and Forty Two Cents (\$208,851.42) (the “Loan Funds”) to the Recipient for additional predevelopment activities for the Project, to be secured by a third mortgage on the Property. The Grant Funds and the Loan Funds (collectively the “CDBG Funds”) are being provided in accordance with the City’s CDBG Residential Rehabilitation Program.”

c. Section 103 shall be amended and modified such that the terms and conditions of Section 103 shall be applicable to the CDBG Funds and not limited to the Grant Funds.

d. Section 203 is hereby amended and restated as follows:

“Section 203.1. With regard to the CDBG Funds, the Recipient must provide the City with performance measures, i.e. inputs, outputs, outcomes and dates for accomplishments, in the format of Exhibits attached hereto, which will be

monitored by the Program Liaison Officer. If the Recipient fails to meet the stated goal, it may result in the City's exercise of any and all rights it may have under this Agreement in addition to all other remedies provided by law or in equity.

Section 203.2. The City shall make the Loan Funds available to the Recipient in the form of a low interest loan in the principal amount of Two Hundred Eight Thousand Eight Hundred Fifty One Dollars and Forty Two Cents (\$208,851.42), which shall bear interest at the rate of one hundredth of one percent (0.01%) per annum as evidenced by a Mortgage Note and Open End Mortgage Deed and Security Agreement, both dated of even date herewith.. The Loan Funds plus interest shall be due and payable to the City as a lump sum payment on June 1, 2060 (the "Maturity Date"). . The Recipient shall comply with all requirements with respect to the transfer of the Property under Sections 8.2(A) and 8.2(B) of the DLDA.

Section 203.3. Loan Funds shall be disbursed following acquisition only for eligible predevelopment costs included in the Grantee Funding Summary Report Payment Schedule as amended and incurred for the rehabilitation of the Property, which amendment is attached hereto as Schedule B.

Section 301 is hereby amended and restated as follows:

"The City shall make the CDBG Funds available for the Project in an amount not to exceed Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) as follows:

- i. The City has made the Grant Funds available to RMS Downtown South-Hill North Development Company, LLC in the form of a grant in an amount of Two Hundred Ninety-One Thousand One Hundred Forty-Eight Dollars and Fifty-Eight Cents (\$291,148.58). Disbursements were made in accordance with the Grantee Funding Summary Report, Payment Schedule. No disbursement of Grant Funds shall be made to the Recipient for any post acquisition activity or task as outlined in the Grantee Funding Summary Report, Payment Schedule.
- ii. The City shall make the Loan Funds available to the Recipient in the form of a low interest loan in an amount not to exceed Two Hundred Eight Thousand Eight Hundred Fifty-One Dollars and Forty-Two Cents (\$208,851.42). Disbursements shall be made in accordance with the Grantee Funding Summary Report, Payment Schedule, as amended. No disbursement of Loan Funds shall be made to the Recipient until the Recipient has provided evidence, satisfactory to the Program Liaison Officer, that it has acquired the Property.
- iii. The approved Grantee Funding Summary Report, Payment Schedule for the eligible pre-development activities, as amended, is a

component of this Agreement and said provisions shall be incorporated by reference as follows:

	Code	Major Object Classification	Total Amount CDBG Funds
amended)	(See Attached Grantee Funding Summary Report, Payment Schedules as		\$500,000.00;

iv. For amounts under this Agreement which are funded by the CDBG Funds, notwithstanding anything else to the contrary in this Agreement, the Davis Bacon and Title II, Sections 12 ½ 19 through 12 ½ 33 of the City of New Haven Code of Ordinances shall be adhered to where applicable.

e. Section 501 shall be amended and restated as follows:

“The Recipient shall be reimbursed for the eligible pre-development costs as provided for in the attached Grantee Funding Summary Report, Payment Schedule as the same may be amended as approved by the City. It is understood and agreed that (i) disbursement of Grant Funds shall not be made to the Recipient for any post acquisition activity or task as outlined in the Grantee Funding Summary Report Payment Schedule; and (ii) disbursement of Loan Funds shall not be made until the Recipient has provided evidence, satisfactory to the City, that it has acquired the Property.

f. Section 502 shall be amended and modified such that the terms and conditions of Section 502 shall be applicable to the CDBG Funds and not limited to the Grant Funds.

g. The introductory language to Section 602 shall be amended and modified as follows:

“To enable the City to monitor the Recipient’s Project performance hereunder, the Recipient shall, in addition to any other reporting requirements as indicated by the City, provide the following on a quarterly basis until the completion of the overall rehabilitation project and thereafter on an annual basis until the expiration or termination of this Agreement utilizing the Grantee Funding Quarterly Report (Exhibit H) and shall comply with the following:”

h. Section 607 shall be amended and modified such that the terms and conditions of Section 607 shall be applicable to the CDBG Funds and not limited to the Grant Funds.

i. Section 7 shall be amended and restated as follows:

"This Agreement shall remain in effect until the Maturity Date, unless the Loan Funds are prepaid prior to the Maturity Date, in which case, this Agreement shall terminate on the date of such prepayment.
Agreement.

j. Section 905 shall be amended and modified such that the terms and conditions of Section 905 shall be applicable to the CDBG Funds and not limited to the Grant Funds.

k. Section 921 shall be amended and restated as follows:

"The City may require Recipient to recognize HUD and its CDBG Project, for providing funding for the services specified in this Agreement. Recognition may be achieved by informing clients and their families and identifying in writing, wherever possible (legal notices, posters, signs) that the services provided were funded, in whole or in part, by HUD through the CDBG Project, the City, however, acknowledges that it has approved the sign to be posted on the Property during construction of the Project and that such sign will not include the foregoing recognition."

l. Section 922 shall be amended and modified to change the principal office of Recipient as follows:

"If to Recipient: RMS 49 Prince Street LLC
1 Landmark Square
Stamford, CT 06901
Attn: Randall M. Salvatore"

m. Recordation. The recording of this Agreement on the New Haven Land Records shall evidence the closing of the transaction described herein. Nothing set forth herein shall affect the priority, validity or enforceability of the Grant Agreement nor, except as expressly set forth herein, release or change the liability of any person who may now be or after the date of this Agreement, become obliged to perform any duty required by the Grant Agreement; provided, however that the City acknowledges that RMS Downtown South-Hill-North Development Company has fulfilled its obligations under the Grant Agreement and is hereby released from any liability therefor.. Except as stated herein, the Grant Agreement shall remain unchanged and in full force and effect.

n. Paragraph Headings. The paragraph headings used herein are for convenience of reference only and shall not be used in the interpretation or construction hereof.

o. Governing Law. This Agreement shall be governed, interpreted and construed by, through and under the laws of the State of Connecticut.

p. Severability. The invalidity or unenforceability of any provision of this Agreement or any other Grant Document shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

q. Entire Agreement. This Agreement and the Grant Agreement contain the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Agreement. This Agreement may not be amended or modified except by written agreement signed by the Parties hereto with respect to amendments and modifications affecting the Assignor and except by written agreement by the City and the Assignee with respect to amendments and modifications affecting the City and the Assignee only..

r. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties hereto as well as their successors and assigns, heirs, and personal representatives.

s. Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute but one and the same Agreement, and any copy of the executed Agreement shall be as effective as the original.



[Signature Page Follows]



IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as follows:

Witnesses:





**RMS DOWNTOWN SOUTH-HILL NORTH
DEVELOPMENT COMPANY LLC**

By: 
Its 


RMS 49 PRINCE STREET LLC

By: 
Its 

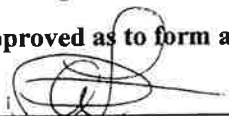





CITY OF NEW HAVEN

By: 
Justin Elicker
Its Mayor

Approved as to form and correctness:


Alison Lanoue
Assistant Corporation Counsel

[SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION AGREEMENT]

STATE OF CONNECTICUT)
) ss. , Stamford May 28, 2020
COUNTY OF FAIRFIELD)

Before me, the undersigned, personally appeared Randall M. Salvatore, known by me to be the Manager of **RMS DOWNTOWN SOUTH-HILL NORTH DEVELOPMENT COMPANY, LLC** a Connecticut limited liability company and that as such signer of the foregoing instrument/he acknowledged the execution of the same to be his free act and deed and the free act and deed of such company.



Commissioner of the Superior Court
Notary Public
My Commission Expires: **KAREN L. NUNEZ**
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 6/30/2021

STATE OF CONNECTICUT)
) ss. Stamford, May 28, 2020
COUNTY OF FAIRFIELD)

Before me, the undersigned, personally appeared Randall M. Salvatore, known by me to be the Manager of **RMS 49 PRINCE STREET LLC**, a Connecticut limited liability company and that as such signer of the foregoing instrument she acknowledged the execution of the same to be his free act and deed and the free act and deed of such company.



Commissioner of the Superior Court
Notary Public
My Commission Expires: **KAREN L. NUNEZ**
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 6/30/2021

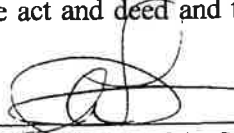
STATE OF CONNECTICUT)

) ss.

New Haven, May 28, 2020

COUNTY OF NEW HAVEN)

Before me, the undersigned, personally appeared **JUSTIN ELICKER** known by me to be the Mayor of the **CITY OF NEW HAVEN**, and that as such signer of the foregoing instrument he acknowledged the execution of the same to be his free act and deed and the free act and deed of such City.



Commissioner of the Superior Court

Notary Public

My

Commission

Expires

[ACKNOWLEDGEMENT PAGE TO ASSIGNMENT AND ASSUMPTION AGREEMENT]

SCHEDULE A

Final

CDBG Agreement
2018
Page 1 of 21

CDBG AGREEMENT **A18-0269**

This Agreement, including exhibits A-M as applicable, is entered into as of this 5th day of April, 2018 (the "Effective Date") by and between the City of New Haven, a municipal corporation organized and existing under the laws of the State of Connecticut (hereinafter referred to as the "City") with an address of 165 Church Street, New Haven, Connecticut 06510 and RMS Downtown South-Hill North Development Company, LLC, a for-profit organization (hereinafter referred to as the "Recipient") having its principal place of business at 1 Landmark Square, Stamford, CT 06901. The funding amount is Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) in Fund # 29251030 -- 56694 pursuant to Purchase Order # 40180107-00 FY 2018.

WITNESSETH THAT:

WHEREAS, by final actions dated May 2, 2017, the Board of Alders of the City passed an order, effective as of July 27, 2017, "approving The City of New Haven's 2017-2018 Consolidated Plan Statement of Activities and Use of the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with Aids (HOPWA), and Emergency Solutions Grants (ESG) funds to be submitted to the Department of Housing And Urban Development for federal financial assistance for planning and community development activities under the provisions of Title I of the Housing and Community Development Act of 1974, as Amended, (PL 93-383); the Cranston Gonzalez National Affordable Housing Act of 1990 (PL 101-625); the Stewart B. McKinney Homeless Assistance Act of 1987 (PL 100-77) as amended by the HEARTH Act of 2009; and AIDS Housing Opportunity Act (PL 102-550)" and for activities to be funded by Project income and/or reProjecting funds from prior grant years; and

WHEREAS, the Consolidated Plan Statement (hereinafter referred to as the "Statement") allows for the provisions of certain special local development and administrative activities in addition to such physical development activities as may be carried out under the Housing Act of 1949, as amended, and Chapter 130 of the General Statutes; and

WHEREAS, pursuant to the Statement, the City executed with the Department of Housing and Urban Development (HUD), effective on or about July 1, 2017, a grant agreement for the forty third year of funding FY 2017-2018 under the Community Development Act of 1992 (the "Grant Agreement"); and

WHEREAS, the Recipient submitted its qualifications to carry out services allowed by the regulations for funding and desired by the City to fulfill the Statement; and

WHEREAS, the Grant Agreement authorizes expenditures for the planning and execution of certain activities and Projects itemized in the Statement, including the provision of such services by the Recipient; and

WHEREAS, to enable the Recipient to substantially rehabilitate the property located at **49 Prince Street** in New Haven, Connecticut (the "Property") upon acquisition thereof (the "Project") pursuant to the terms and conditions as set forth in the Second Amended and Restated Development Agreement and Land Disposition Agreement by and among the City, the New Haven Redevelopment Agency and the Recipient dated August 21, 2016 and recorded in

volume 9483 at page 1 of the New Haven Land Records, the City is hereby providing a grant to the Recipient for eligible pre-development activities (the "Project") in accordance with the City's CDBG Residential Rehabilitation Program.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1: GENERAL PROVISIONS

101. The recitals set forth above are incorporated hereto and made a part hereof of this Agreement.

102. The Recipient shall comply with all terms and conditions of this Agreement and all applicable federal, state and local laws, statutes, codes, ordinances, rules and regulations, including but not limited to, 24 CFR Part 570, et seq, as may be amended from time to time, and incorporated by reference as if fully set forth herein.

103. The Grant Funds being provided hereunder are to assist the Recipient in paying for the eligible pre-development costs associated with the anticipated substantial rehabilitation of the Property in accordance with the City's CDBG Residential Rehabilitation Program.

104. The person responsible for the services to be rendered on behalf of the Recipient shall be Randy Salvatore, Chief Executive Officer or such other qualified person as is designated in writing in the form of a resolution from the Board of Directors and acknowledged in writing by the City.

105. A. The person in charge of administering this Agreement on behalf of the City shall be Serena Neal Sanjurjo, Executive Director of the Livable City Initiative of the City (hereinafter referred to as the "Administrator"), her successor(s) or such other person(s) as designated by the City.

B. The Administrator and staff designated by him or her shall monitor, advise, evaluate and provide such guidance and direction to the Recipient as may be necessary for the satisfactory operation of the Project in accordance with the Community Development Act rules and regulations.

C. The Administrator shall appoint Catherine Schroeter her or his successor(s) or such other person(s) as she or he designates to serve as Program Liaison Officer for purposes of this Agreement. The Program Liaison Officer shall be fully informed by the Recipient as to the activities performed under this Agreement, and shall determine when meetings with the Recipient are required to effect the efficient and successful performance of work required under this Agreement. All reports and payment requests shall be submitted to the Program Liaison Officer.

D. The Recipient, if providing a direct public service, shall agree to serve as a clearing house for the posting of community based job vacancies in accordance with the terms of Article XVII Living Wage Ordinance.

SECTION 2: SCOPE OF SERVICES

201. The Project shall be carried out in conformity with the agreed upon objectives, schedule of activities and tasks and disbursement schedule on or before the dates set forth in the **Grantee Funding Summary Report** attached hereto and incorporated herein. The tasks and target dates set forth in the Grantee Funding Summary Report are estimates only and any proposed revision shall be submitted in writing to the Program Liaison Officer. Any such revisions shall be finally adopted by the Recipient only upon the written approval of the Program Liaison Officer.

Notwithstanding the foregoing, no revisions and/or disbursements shall be made to the Recipient for any post acquisition activity or task as outlined in the Grantee Funding Summary Report, Payment Schedule, until the Recipient has provided evidence, satisfactory to the City, that it has acquired the Property.

202. Any person receiving direct services must be defined as an "eligible person". "Eligible person means a person who is a very low, low and moderate income individual, as defined in this Section 202 and the person's household." A person or a household member regardless of income is eligible to receive information services. Any person living in proximity to a community residence is eligible to participate in that residence's community outreach and educational activities as defined in Project.

A. For Projects funded through Community Development Block Grant (CDBG):

Low- and moderate-income individual/ household means any individual or household whose income is less than to or does not exceed eighty percent (80%) of the area median income, as determined by HUD, with adjustments for smaller and larger families.
he construction and or rehabilitation of housing that provides for rental units which is funded by CDBG and or HOME grant monies must comply with the prescribed HOME rents determined by Housing and Urban Development.

B. For Projects funded through Housing Opportunities for Persons with Aids (HOPWA):

Low- and moderate-income individual/ household means any individual or household whose income is less than to or does not exceed eighty percent (80%) of the area median income, as determined by HUD, with adjustments for smaller and larger families.

Eligible persons receiving rental assistance, except for persons in short-term supported housing or residing in any rental housing assisted under this Project must pay as rent, including utilities, an amount which is the higher of:

Thirty percent (30%) of the family's monthly adjusted income (adjustment factors include the age of the individual, medical expenses, size of family and child care expenses and are described in detail in 24 C.F.R. Section 813.102);

Ten percent (10%) of the family's monthly gross income

C. The following requirements apply to Projects funded through the Emergency Solution Grants (ESG):

Emergency Solutions Grants (ESG) Project funds may only reimburse costs directly related to the following eligible activities as outlines in 24 CFR Parts 576.101-109, and include only reimbursable costs directly related to the following eligible activities:

Street Outreach (24 CFR Part 576.101)
Emergency Shelter (24 CFR Part 576.102)
Homeless Prevention (24 CFR Part 576.103)
Rapid Re-housing (24 CFR Part 576.104)
HMIS (24 CFR Part 576.107)

Eligibility: For essential services related to Street Outreach, beneficiaries must meet the criteria under paragraph (1)(i) of the "homeless" definition under § 576.2. For Emergency Shelter 24CFR 576.102(a)(3), beneficiaries must meet the "homeless" definition in 24 CFR 576.2. For "essential services" 24 CFR 576.102 related to Emergency Shelter, beneficiaries must be "homeless" and staying in an emergency shelter (which could include a day shelter). For Homelessness Prevention assistance, beneficiaries must meet the requirements described in 24 CFR 576.103. For Rapid Re-housing assistance, beneficiaries must meet requirements described in 24 CFR 576.104.

Housing Relocation and Stabilization services CFR 24 §576.105 and Short- and/or Medium-term Rental Assistance §576.106 may be provided to assist an individual or family from becoming homeless and/or moving into an emergency shelter or another place described in paragraph (1) of the "homeless" definition.

Rapid Re-housing services may be used to help a homeless individual or a family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance may be provided to Project beneficiaries who meet the criteria under paragraph (1) of the "homeless" definition in Subsection 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition (where the individual or family also meets the criteria for paragraph 1).

Homelessness Prevention may be provided to individuals and families who meet the criteria under the "at risk of homelessness", or who meet the criteria in paragraph (2), (3), or (4) of the "homeless" definition in CFR Subsection 576.2. The Homelessness Prevention services may only be utilized to help the Project participant regain stability in the Project participant's current permanent housing, or move into other permanent housing and achieve stability in the housing.

ESG financial assistance given for Prevention or Rapid Re-housing assistance/services cannot be provided to a Project participant receiving the same type of assistance for the same period of time from another public Project municipal, state and Federal. Written standards are required for determining the amount of assistance provided to Project participant (§576.400). Prevention and Rapid Rehousing assistance/services cannot exceed 24 months during any 3-year period for any Project participant.

Housing Quality and Habitability Standards shall comply with Title 24 Section 574.310 of the Code of Federal Regulations.

203. The Recipient must provide the City with performance measures, i.e. inputs, outputs, outcomes and dates for accomplishments, in the format of Exhibits attached hereto, which will be monitored by the Program Liaison Officer. If a Recipient fails to meet the stated goal it may result in a reduction or elimination of funding.

SECTION 3: COMPENSATION AND INDEMNIFICATION

301. The City shall make the funds available to the Recipient in the form of a grant in an amount not to exceed Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) (the "Grant Funds"). Disbursements shall be made in accordance with the Grantee Funding Summary Report, Payment Schedule. No disbursements shall be made to the Recipient for any post acquisition activity or task as outlined in the Grantee Funding Summary Report, Payment Schedule, until the Recipient has provided evidence, satisfactory to the Program Liaison Officer, that it has acquired the Property.

The approved budget and payment schedule for the eligible pre-development activities is a component of this Agreement and said provisions shall be incorporated by reference as follows:

Code	Major Object Classification	Amount
	(See Attached Grantee Funding Summary Report)	\$500,000.00

For amounts under this Agreement which are funded by CDBG funds, notwithstanding anything else to the contrary in this Agreement, the Davis Bacon and Title II, Sections 12 ½ 19 through 12 ½ 33 of the City of New Haven Code of Ordinances shall be adhered to where applicable.

302. There shall be no disbursements made to Recipient for any personnel costs incurred with respect to the Project.

303. Where any disbursement referenced in Section 301 is incurred for a common or joint purpose benefiting more than the Project referenced herein, and as such costs are not readily assignable to Project, the Recipient shall prepare and provide with the request for disbursement an itemization and allocated plan for those costs based on any reasonably accepted method for determining such allocation for the review and approval of the Program Liaison Officer.

304. Purchase of goods and services shall be in conformance with requirements included in the 2 CFR et seq. or any revision thereof. The Recipient must provide a copy of its procurement policy for written approval by the City or the Recipient will be required to adopt the City of New Haven's Procurement Policy. Recipient shall keep on file all bids, estimates and quotes of goods and services purchased and make available upon request for City and Federal review.

305. Recipient shall defend, indemnify and hold harmless the City of New Haven, and its officers, agents, servants and employees, from and against any and all actions, lawsuits, claims, damages, losses, judgments, liens, costs, expenses and reasonable counsel and consultant fees sustained by any person or entity ("Claims"), to the extent such Claims are caused by the acts, errors or omissions of the Recipient, including its employees, agents or subcontractors, directly or indirectly arising out of, or in any way in connection with, the obligations of the Recipient pursuant to this Agreement.

SECTION 4: INSURANCE

401. Recipient shall purchase from and maintain in a company or companies with an A- or greater A.M. Best & Co. rating, acceptable to City and lawfully authorized to do business in Connecticut, such insurance, including Commercial General, Automobile, Workers' Compensation, and such other forms of liability insurance as will protect the City and Recipient from claims which may arise out of or result from Recipient's operations under this Agreement and for which Recipient may be legally liable, whether such operations be by the Recipient a subcontractor or a sub-tier Recipient or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

402. The following Commercial General Liability coverage is particularly required:

1. Commercial General Liability with a combined Bodily Injury and Property Damage Limit of not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) in the General Aggregate.
2. Products/Completed Operations Limit of not less than One Million Dollars (\$1,000,000) per occurrence, with coverage maintained for two (2) years after final acceptance of the project.
3. Personal & Advertising Liability Limit of not less than One Million Dollars (\$1,000,000)
4. Fire Damage Legal Liability Limit of not less than One Hundred Thousand Dollars \$100,000.
5. Medical Payments Liability Limit of not less than Ten Thousand Dollars (\$10,000)

403. If the City deems it necessary, the Recipient shall carry Business Automobile Liability insurance covering the use of all owned, non-owned and/or hired vehicles with a combined Bodily Injury and Property Damage Limit not less than the following:

One Million Dollars (\$1,000,000) Each Person
One Million Dollars (\$1,000,000) Each Accident

One Million Dollars (\$1,000,000) Each Accident Property Damage

404. The Recipient must carry Workers' Compensation insurance as follows:

Coverage A – Statutory Benefits Liability imposed by the Workers' Compensation and/or Occupational disease statute of the State of Connecticut and any other governmental authority having jurisdiction for the work performed at the project.

Coverage B – Employer's Liability – Limits of not less than One Hundred Thousand Dollars (\$100,000) per accident; One Hundred Thousand Dollars (\$100,000) bodily injury per disease/employee; Five Hundred Thousand Dollars (\$500,000) policy by disease.

Extensions of Coverage

Other States Endorsement
Voluntary Compensation (included if exposure exists)
United States Longshoreman's & Harbor Worker's Act (included if exposure exists)
Jones Act (included if exposure exists)
Amendment of the Notice of Occurrence
Thirty (30) day written notice of cancellation, non-renewal

405. The City, in its sole discretion, shall determine if the Recipient shall be required to carry Professional Liability or Errors & Omissions Insurance. If so, the following requirements apply: The Recipient shall carry Professional Liability or Errors & Omissions Insurance with respect to any damage caused by an error, omission or any negligent act of the Recipient with minimum coverage limits of One Million Dollars and No Cents (\$1,000,000.00) per claim for any wrongful act to cover work performed under this Agreement /One Million Dollars and No Cents (\$1,000,000) aggregate.

406. The insurance required herein shall be written for not less than limits of liability specified herein or as required by law, whichever coverage is greater. Insurance coverage written on an occurrence basis shall be maintained without interruption from date of commencement of the work until date of final payment or, as required by the contract documents, termination of any coverage required to be maintained after final payment and, with respect to the Recipient's Completed Operations coverage, until the expiration of the period for correction of the work and for such other period for maintenance of Completed Operations coverage as specified in the contract documents. If liability coverage is written on a claims-made basis, "tail" or "extended reporting period" coverage will be required at the completion of the project for a duration of twenty-four (24) months, or the maximum time period reasonably available in the marketplace. Recipient shall furnish certification of "tail" coverage as described or continuous "claims-made" liability coverage for twenty-four (24) months following the project completion. Continuous claims-made coverage will be acceptable in lieu of "tail" coverage, provided its retroactive date is on or before the effective date of this Agreement. If continuous claims-made coverage is used, Recipient shall be required to keep the coverage in effect for the duration of not less than twenty-four (24) months from the date this Agreement expires.

407. Coverage for Recipient must include the following endorsements: 1) Blanket Contractual Liability for liability assumed under this Agreement and all other agreements relative to the project; 2) Severability of Interests; and 3) coverage is to be endorsed to reflect the insurance provided is to be primary for the City, and all other indemnities named in this Agreement.

408. For all policies required hereunder the Recipient and any subcontractor each (i) except for professional liability and/or errors and omissions coverage, hereby waive subrogation against the City, City's Agent and any and all other indemnitees pursuant to the contract documents and (ii) shall name the City of New Haven as Certificate Holder and, except for Worker's Compensation and professional liability and/or errors and omissions policies, an Additional Insured. Further, each such policy shall provide that the insurance company will endeavor to give a minimum of thirty (30) days written notice to the City prior to any modification or cancellation (except for reason of non-payment of premium which shall be ten (10) days' notice) of any such insurance coverage and such notice shall be directed to the City of New Haven in accordance with the notice provisions of the Agreement. The Recipient shall furnish the City with the insurance policy (ies) and corresponding Certificate(s) of Insurance

evidencing that it has complied with the obligations in this Rider, including, but not limited to, requirements for (1) waiver of subrogation, (2) additional insured (with the exception of Professional Liability and Workers' Compensation coverage), (3) notice of cancellation; and (4) Certificate Holder information. Certificates of Insurance acceptable to the City shall be filed with the City prior to commencement of the work and thereafter upon renewal or replacement of each required policy of insurance. If any of the insurance coverage required herein is to remain in force after final payment, an additional Certificate evidencing continuation of such coverage shall be submitted.

409. Aggregate Limits: Any aggregate limits must be declared to and be approved by the City. It is agreed that the Recipient shall notify the City whenever fifty percent (50%) of the aggregate limits are eroded during the required coverage period. If the aggregate limit is eroded for the full limit, the Recipient agrees to reinstate or purchase additional limits to meet the minimum limit requirements stated herein. Any premium for such shall be paid by the Recipient.

410. Waiver of Governmental Immunity: Unless requested otherwise by the City, the Recipient and its insurer shall waive governmental immunity as defense and shall not use the defense of governmental immunity in the adjustment of claims or in the defense of any suit brought against the City.

411. Notwithstanding the foregoing insurance liability limits, the Recipient's liability for errors and omissions related to the performance of services is not limited in any way, including, but not limited to, amount of coverage, or, time period in which City shall have the right to commence suit against the Recipient. Such time frame in which suit may be commenced will be the maximum amount of time allowed by Connecticut General Statutes that are in effect at the time of this contract.

412. Any deductible or self-insured retention must be declared to, and approved by, the City. All deductibles or self-insured retentions are the sole responsibility of the Recipient and/or subcontractor to pay and/or to indemnify the City.

SECTION 5: PAYMENT

501. The Recipient shall be reimbursed for the eligible pre-development costs as provided for in the attached Grantee Funding Summary Report, as approved by the City. It is understood and agreed that no disbursements shall be made to the Recipient for any post acquisition activity or task as outlined in the Grantee Funding Summary Report Payment Schedule, until the Recipient has provided evidence, satisfactory to the City, that it has acquired the Property.

502. The Grant Funds shall be disbursed only for eligible pre-development costs incurred and included in the Grantee Funding Summary Report as approved by the City. Requests for payment must be made using the form attached hereto as Exhibit A and must be accompanied by such other reports as the City may require from time to time, capturing the following information, as applicable:

- A. Documentation of all cash disbursements for the period covered by request for payment.
- B. Report of any cash balances.

- C. A cumulative record of all previous cash disbursements under this Agreement.
- D. An estimate of cash required for the ensuing implementation period based upon prior time sheets and/or Project schedules and the budget amount set forth in this Agreement.
- E. Recipient shall report all Project income to the City in accordance with this Agreement.
- F. Recipient shall report the status of all grants and loans that contribute to the performance of this Agreement and the Project upon submission of requests for payment.
- G. If the Recipient is funded under CDBG then it shall provide a Project report documenting performance and low/moderate income benefit in the form attached hereto as Exhibit C with each drawdown request.

All requests for payment shall be signed and certified as of truth and correctness by an officer of the Recipient authorized by the Board of Directors and disclosed in writing to the Project Liaison Officer by the Board of Directors. Both the payment request and the Project report shall be submitted to the Project Liaison Officer.

No payment shall be made to the Recipient under this Agreement unless at the time of request for payment all prior fiscal and Project reports required of the Recipient have been filed by the Recipient with the City and have been accepted by the City through the period preceding the time period for which request for payment is being made.

At no time shall any of the payments made hereunder pursuant to the budget set or any approved amendments thereto, be applied to other projects operated by the Recipient to overcome funding deficiencies, avoid restriction approved by law or by grant agreement, or for any reason, nor shall this Agreement, or the disbursements to be received hereunder, be pledged or hypothecated, or in any other manner encumbered by the Recipient.

For amounts under this Agreement which are funded by CDBG funds, notwithstanding anything else to the contrary in this Agreement, the Davis Bacon and Title II, Sections 12 ½ 19 through 12 ½ 33 of the City of New Haven Code of Ordinances shall be adhered to where applicable.

SECTION 6: PROJECT REPORTING REQUIREMENTS/AUDIT

601. The Recipient acknowledges and agrees that the receipt of funding under this Agreement obligates the Recipient to comply with all Federal and City requirements, including but not limited to those set forth in Exhibits A-J attached hereto. The City shall not make any disbursements hereunder unless and until the Recipient meets the requirements set forth below. The City reserves the right to amend the requirements as to the content of the project report and also reserves the right to direct the Recipient as to the format of the project report.

602. To enable the City to monitor the Recipient's Project performance hereunder, the Recipient shall, in addition to any other reporting requirements as indicated by the City, provide

the following on a quarterly basis utilizing the Grantee Funding Quarterly Report (Exhibit H) and shall comply with the following:

- A. Submit to the City any budget revisions, noting the dates when specific activities will be started, the duration of each activity and the projected date of completion as it relates to the both the eligible pre-development costs provided for hereunder and the overall rehabilitation project to occur at the Property as provided for under the Second Amended and Restated Development Agreement and Land Disposition Agreement.
- B. Submit to the City within thirty (30) days after expiration or earlier termination of this Agreement a final financial report incorporating and summarizing all previous reports, additional commentary as appropriate and conclusions or recommendations about the Project.
- C. Submit to the City within thirty (30) days of completion of the overall rehabilitation project to occur at the Property as provided for under the Second Amended and Restated Development Agreement and Land Disposition Agreement a final HUD close out demographic report.
- D. The City reserves the right to change the requirements as to the content of the Project report and also reserved the right to direct the Recipient as to the format of the Project report.
- E. Submit to the City along with the disbursement request, a list of all contracts and subcontracts entered into by the Recipient using funds under this Agreement. This list shall be submitted on the form provided and include the (sub)contractor's name, address, contract amount, Social Security or Federal Employer ID number, type of trade, business racial/ethnic code, indication of women owned business, and identification of any contractors and subcontractors and subcontractors who are related parties as defined herein.
- F. Where applicable, upon request, submit copies of any building permits required for rehabilitation, new construction or public facility improvements.
- G. If the project funded under this contract requires additional funding sources, the Recipient must indicate in writing, the name of source and the amount that was contributed to the approved Project, which shall include the overall rehabilitation project to occur at the Property as provided for under the Second Amended and Restated Development Agreement and Land Disposition Agreement. In addition, the Recipient shall provide a copy of all commitment letters for said additional funding.

603. The Recipient understands and agrees that monitoring of the Recipient's performance hereunder is a continuing process, and is carried out by examination of the reports submitted by the Recipient, by site visits to the place or places where the operations funded hereunder are being carried out, by interviews with employees of the Recipient and service recipients, and by other means. The City may designate an outside monitor on its behalf to

perform such duties in conjunction with appropriate staff. Monitoring shall be based on the following criteria:

1. Consistency of Project with purposes for which it was funded.
2. Examination of expenses to date and of anticipated future funding needs.
3. Compliance with all applicable federal statutes, regulations and guidelines, including, but not limited to OMB Circulars A-133, A-110 and A-122.
4. Examination of applicable permits.
5. Review of any audit management letters, findings and or concerns along with the Recipient's corrective action.
6. Review of equipment inventory.
7. Examination of all purchasing documentation and procurement policies.
8. Review of the conflict of interest policies and signed statements.
9. Current listing of the Board of Directors.

604. The Recipient shall cooperate with the Program Liaison Officer to expedite the monitoring carried out under paragraph (603) above by permitting representatives of the City and other designated persons to observe Project operations, conduct interviews with the clients that are being served by the approved activity, review its Project files and financial records, to hold such meetings as may reasonably requested, and by supplying such additional information as may be requested.

605. The City shall conduct a final evaluation of the Recipient, based upon the criteria set forth in Paragraph (602) of this Subsection.

606. Upon execution and on a continuing basis until such time as the overall rehabilitation Project is complete, the Recipient shall provide to the City, as required, the following:

- A. Recipient must demonstrate that the Project has served at least fifty-one percent (51%) low- and moderate-income clients; and
- B. Quarterly Reports utilizing Exhibit H; and
- C. A schedule of all federal, state and private awards received, either directly or as a Recipient upon receipt of funding, including a schedule of disbursements by all funding sources; and;
- D. Written disclosure of all related and/or affiliated organizations. Such disclosure shall include any organization which is affiliated with the Recipient in any way that gives it, or the Recipient, the ability to significantly influence the management or operating policies of the other transacting party. Such related and/or affiliated organizations shall include any entity which shares members of management, directors or owners with the Recipient. Recipient's disclosure shall also indicate whether management intends to transact business with any related parties; and
- E. If the Recipient intends to conduct business with related and/or affiliated parties, the Recipient shall be required to provide sufficient documentation

to the City's satisfaction that such transaction was conducted at arm's length; and

- F. An executed contract or arrangement letter between the Recipient and an independent accountant to perform an audit in accordance with Section 5 of this Agreement; and
- G. A written procurement policy in conformance with the requirements of City's procurement policies as attached hereto and incorporated herein by reference and in accordance with 2 CFR Part 200 et seq. If a procurement policy does not exist, the Recipient must adopt the City's procurement policy.

607. The Grant Funds to be received by the Recipient are in excess of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) and less than Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00), therefore the Recipient shall, at its own expense, arrange for an organization-wide financial statement compiled by an independent accountant. The Recipient shall provide a Certification of Accuracy and Completeness of the Project specific financial statements in the form specified in Exhibit J of this agreement.

If the aggregate amount of all federal awards expended by the Recipient is equal to or exceeds Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00), a single audit, as defined by OMB 2 CFR Part 200 et seq., which is an allowable Project cost, shall be required.

608. Original audits must be professionally and permanently bound. All Financial Statements or Audits must be submitted to the City no later than 180 days after the close of the Recipient's fiscal year. Upon execution of this Agreement, the Recipient shall provide the City with an executed contract or arrangement letter between the Recipient and an independent accountant to perform such arrangements. The independent accountant selected must communicate in writing with the City's Accounting Division and the Project Liaison Officer regarding the nature and scope of the audit and any other pertinent audit issues. In the event the audited financial statements will not be completed according to this Section, the Recipient shall contact the City's Accounting Division and the Program Liaison Officer prior to the 180 days of the close of the Recipient's fiscal year in writing stating the reason for the delay and when the audit will be completed. Failure to comply with these requirements shall render the Recipient ineligible for reimbursement under this Agreement.

609. The independent accountant must provide written documentation that demonstrates that the accountant and all members of the accounting team have complied with all applicable continuing professional education requirements, including those promulgated by the State Board of Accountancy, the American Institute of Certified Public Accountants, and the U.S. Office of Management and Budget (i.e. as required under Governmental Auditing Standards). In addition, the auditing firm must also provide the City with the most recent external quality control (i.e. "Peer Review") report. The external quality control review must be made in accordance with Governmental Auditing Standards "Yellow Book Audit".

610. All management letters, monitoring reports, or equivalent finding(s) or concern(s) communicated by the Recipient's independent accountant or others (either orally or in writing) whether or not related to Project specific financial statement, organizational financial statement, single audit or other audits including those defined above shall be submitted to the City's Accounting Division and the Program Liaison Officer along with Recipient's corrective action

plan. Failure to implement the corrective action plan within 60 days shall result in immediate termination of this Agreement. In the event a management letter is not issued, the external auditors must provide a letter attesting to this.

Oversight: Where a Recipient is required to conduct an audit hereunder, the Recipient shall comply with the following requirements:

- (1) The Recipient's Board of Directors shall form an Audit Committee, whose purpose shall include oversight of all aspects of the financial reporting process. Any appropriate existing committee of the Board of Directors may be designated as the Audit Committee.
- (2) The Recipient shall notify the City of the formation or designation of the Audit Committee and provide a copy of the relevant action of the Board of Directors that can be in the form of by-laws, resolution, etc. The Recipient shall also notify the Accounting Division and the Project Liaison Officer in writing of the members of the Audit Committee and any changes in membership as they may occur.
- (3) The Recipient shall, in conjunction with the annual audit of its financial statements, obtain a written letter from its independent accountant pursuant to the requirements of AICPA Professional Standards AU Section 380 also known as an "Audit Committee Letter." As required by the AICPA Professional Standards, the Audit Committee Letter shall be communicated to the Audit Committee and address the following matters as they apply:
 - (i) The auditor's responsibilities under generally accepted standards;
 - (ii) Significant accounting policies;
 - (iii) Audit adjustments;
 - (iv) The auditor's judgements about the quality of the Recipient's accounting principles;
 - (v) Other information in documents containing financial statements or audit;
 - (vi) Disagreements with management;
 - (vii) Consultation with other accountants;
 - (viii) Major issues discussed with management prior to retention; and
 - (ix) Difficulties encountered in performing the financial statement or audit.

The Audit Committee Letter shall be prepared and dated in conjunction with the auditor's report on the Recipient's financial statement.

SECTION 7: TIME OF PERFORMANCE

The term of this Agreement shall be for twenty four (24) consecutive months, regardless of any time delays or other interruptions, commencing on the Effective Date of this Agreement unless otherwise authorized by the City in the form of an amendment hereto. No later than ninety (90) days prior to the expiration of this Agreement, the Recipient must notify the City in writing of anticipated delays. Within thirty (30) days of such notice, the City will determine if such delays are appropriate and notify the Recipient of approved changes, if any, in writing.

SECTION 8: PROJECT TERMS AND CONDITIONS

801. Upon completion of the overall rehabilitation project as referenced above, Recipient shall ensure that the rehabilitation meets the local and state housing quality standards and code requirements as provided in the Ordinances of the City of New Haven and the Connecticut General Statutes, as amended, the City of New Haven Zoning Ordinances and Housing Code (inclusive but not limited to the provisions thereunder relating to housing standards and building standards). Additionally any new construction project must meet the current edition of the Model Energy Code published by the Council of American Building Officials; and a substantial rehabilitation Project must meet the cost-effective energy conservation and effectiveness standards in 24 CFR Part 39.

802. The Recipient shall ensure that the overall rehabilitation project complies with the affordability requirements set forth in 24 CFR Part 92 as said requirements relate to homeownership (section 92.254) and rental housing (section 92.252) in accordance therewith.

803. The Recipient shall not refuse to lease CDBG- assisted units to a certificate or voucher holder under 24 CFR part 982—Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Project and Tenant-Based Assistance under the Section 8 Rental Certificate Project and the Section 8 Rental Voucher Project or to the holder of a comparable document evidencing participation in a CDBG tenant-based assistance Project because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable CDBG tenant-based assistance document; and

804. Pursuant to 24 CFR Part 92 Subpart F Section 92.254, any project that involves housing that is for acquisition by a family, with or without rehabilitation, must meet the affordability requirements as set forth therein and the Recipient shall ensure, and/or shall provide the City with information sufficient to allow the City to ensure, that the Project structure complies with the following restrictions:

- A the initial purchase price does not exceed 95% of the median purchase price for the type of single family housing (1 to 4 family residence, condominium unit, cooperative unit) for the jurisdiction as determined by HUD;
- B the estimated appraised value of the Project structure at acquisition, if standard, or after any repair needed to meet the property standards set forth in 24 CFR Subpart F Section 92.251, that does not exceed the limit described herein; and
- C The Project's housing structures shall be acquired from the Recipient and occupied by households that qualify as low-income families, as defined by HUD, as their principal place of residence for the duration of the Affordability Period as

set forth in Paragraph 304. Eligible homebuyers shall occupy the homeownership unit in their new home not later than thirty (30) days from the date of closing of their purchase of said home from the Recipient.

805. In determining the appropriate rental charges hereunder, the Recipient may utilize the rent schedule as issued by HUD and amended from time to time.

806. The Recipient shall comply with all federal requirements of the CDBG Project, as amended from time to time, including but not limited to the following: the Relocation requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4201-4655), 24 CFR Part 92 Subpart H Section 92.353, 49 CFR Part 24, 24 CFR Part 42 and the Section 104(d) of the Housing and Community Development Act of 1974 (the "Barney Frank Amendments"); the Lead-Based Paint provisions in 24 CFR Part 92 Subpart H Section 92.355, 24 CFR Part 35, the Lead Based Paint Poisoning Prevention Act of 1971 (42 USC 4821 et. Seq.) and Section 982.401(j) except paragraph 982.401(j)(1)(i); and the Conflict of Interest provisions in 24 CFR Part 92 Subpart H Section 92.356, 24 CFR Part 85.36 and 24 CFR Part 84.42.

807. The Recipient shall also comply with the provisions relating to Equal Opportunity and Fair Housing, as amended from time to time and as set forth in 24 CFR Part 92 Sections 92.202 and 92.250, Title VI of Civil Rights Act of 1964 (42 U.S.C. 3601-3620), Executive Order 11063 (amended by Executive Order 12259), Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) and 24 CFR Part 5 Section 5.105(a); Environmental Review provisions in 24 CFR Part 92 Subpart H Section 92.352, 24 CFR Part 58, the National Environmental Policy Act (NEPA) of 1969, Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106), Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 255) and Section 504 of the Rehabilitation Act of 1973.

SECTION 9: OTHER TERMS AND CONDITIONS

901. This Agreement is subject to and incorporates the provisions attached hereto as **Exhibits A-M**, inclusive. In the event any provision of any Exhibit conflicts with any provision of this Agreement, the Agreement shall be controlling.

902. Connecticut law shall govern this Agreement, its terms and conditions and any claims arising therefrom. The Recipient shall comply with all applicable laws, ordinances, and codes of the State of Connecticut and the City of New Haven.

903. The parties agree that they waive a trial by jury as to any and all claims, causes of action or disputes arising out of this Agreement or services to be provided pursuant to this Agreement.

904. This Agreement shall not be assignable except upon written approval of the City.

905. The Grant Funds shall not be provided to primarily religious organizations, such as churches, for any activity including secular activities in accordance with 24 CFR Part 570. In addition, the Grant Funds shall not be used to repair, rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing.

906. In the event HUD, the United States General Accounting Office, the Solicitor General of the United States or any other Federal or State Authority, Agency or Court of competent jurisdiction subsequently determines that the use of the Loan by the Recipient as set forth in this Agreement is improper, illegal, or otherwise fails to conform with the applicable law and regulations of the United States, the State of Connecticut, or the City of New Haven, then all monies advanced, loaned or granted hereunder by the City shall be immediately due and payable to the City by the Recipient, its heirs, successors, assigns, successors-in-interest and legal representatives.

907. The City and the Recipient each binds itself, its partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement.

908. This Agreement incorporates all the understandings of the parties hereto and supersedes any and all agreements reached by the parties prior to the execution of this Agreement, whether oral or written.

909. If any provision of this Agreement is held invalid, the balance of the provisions of this Agreement shall not be construed to be a waiver of any other term or condition of this Agreement.

910. Any waiver of the terms and conditions of this Agreement by either of the parties hereto shall not be construed to be a waiver of any other term or condition of this Agreement.

911. References herein in the masculine gender shall also be construed to apply to the feminine gender.

912. The Recipient will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

913. The Recipient must notify the City immediately in writing of all irregularities or suspected misuse of funds that has been detected within the organization as a whole, regardless of the source of funds affected.

914. The Recipient has an obligation regarding fiscal accountability in the use of these funds. Any misappropriated or misused funding, as determined through self-assessment, monitoring, or audit cannot be rectified through this funding Agreement i.e. Federal funds cannot be used to replace misappropriated or misused funding.

915. The Recipient shall comply with all Federal, State and local laws relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. Sec. 6101-6107); which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972, as amended (P.L. 92-255) relating to nondiscrimination on the basis of

drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, as amended (P.L. 91-616), relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Secs. 523 and 527 of the Public Health Service Act of 1912, as amended (42 U.S.C. 290 dd-3 and 290 ee-3), relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968, as amended (42 U.S.C. Sec. 3601 et seq.), relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination laws which may apply to the application.

916. The Recipient hereby agrees, warrants and represents that until the completion of the Project, all City taxes shall be and remain current, and that it shall comply with all terms and conditions of this Agreement.

917. The Recipient shall comply with the CDBG Project's uniform administrative requirements, as applicable, set forth in 24 CFR 570.

918. The City and the Recipient hereby covenant and agree that no member of the governing body of the City, nor its designees or agent, and no other public official, paid or unpaid, who exercises any functions or responsibilities with respect to this Project during the individual's tenure or one (1) year thereafter, shall have any personal or financial interest, direct or indirect in any contract or subcontract or the proceeds thereof, for work to be performed in connection with the Project assisted under this Agreement.

919. The Recipient agrees, warrants and represents that it is not presently disbarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

920. The Recipient agrees, warrants and represents that nothing contained in this Agreement, nor any act of the Secretary of HUD, nor the City, nor the Recipient nor any other parties shall be deemed or construed by either of the parties hereto, or by third persons, to create any relationship of third-party beneficiary, or of principal and agent, or of joint venture or of any association or relationship with the Secretary of HUD, or the City. In no event shall anything in this Agreement nor the conduct of the parties hereto be deemed to confer upon others any third-party beneficiary rights against the City or HUD.

921. The Recipient is required to recognize HUD and its CDBG Project, for providing funding for the services specified in this Agreement. Recognition is achieved by informing clients and their families and identifying in writing, wherever possible (legal notices, posters, signs) that the services provided were funded, in whole or in part, by HUD through the CDBG Project.

922. Except as otherwise specifically provided in this Agreement, whenever under this Agreement notices, approvals, authorizations, determinations, satisfactions or waivers are required or permitted, such notices, approvals, authorizations, determinations, satisfactions or waivers shall be effective and valid only when given in writing signed by a duly authorized officer of the City or of the Recipient and delivered in hand or sent by mail, postage prepaid, to the principal office/place of residence of the party, as the case may be, which until changed by written notice from one party to the other as follows:

If to the City: Serena Neal Sanjurjo, Executive Director
Livable City Initiative
City of New Haven
165 Church Street
New Haven, CT 06510

If to the Recipient: RMS Downtown South-Hill North Development
Company, LLC
1 Landmark Square
Stamford, CT 06901

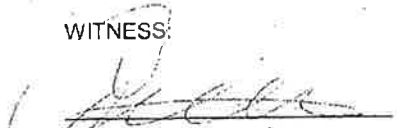

923. Any failure by the City or the Recipient to insist upon the strict performance by the other of any of the terms and provisions hereof shall not be deemed a waiver, and each party hereto, notwithstanding any such failure, shall have the right thereof to insist upon the strict performance by the other, of any and all of the terms and provisions of this Agreement, and neither party hereto shall be relieved of such obligation by reason of failure to comply with or otherwise enforce any of the provisions of this Agreement.

924. If any term or provision of this Agreement directly conflicts with any provisions of the federal regulations issued in 24 CFR Part 92, the terms and provisions of such and regulations issued in 24 CFR Part 92 shall be controlling

REMAINDER OF PAGE BLANK


IN WITNESS WHEREOF, the parties have caused of this Agreement to be executed as of the date and year first above written.

WITNESS:

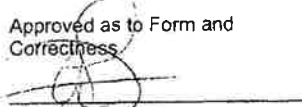



CITY OF NEW HAVEN

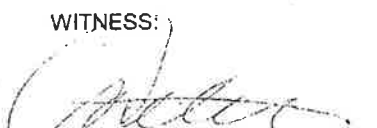

BY:


Toni N. Harp
Mayor

Approved as to Form and
Correctness



Alison Lanoue
Assistant Corporation Counsel

WITNESS:

RMS DOWNTOWN SOUTH-HILL NORTH
DEVELOPMENT COMPANY, LLC

BY:


Randy Salvatore
Its Chief Executive Officer

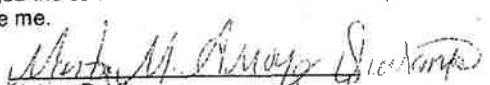
STATE OF CONNECTICUT)

) ss: New Haven

4/3, 2018

COUNTY OF NEW HAVEN)

Personally appeared, Toni N. Harp, Mayor of the City of New Haven, one of the signer(s) and sealer(s) of the foregoing instrument who acknowledged the same to be the free act and deed of the City of New Haven, and of herself as Mayor thereof, before me.


Notary Public

My Commission Expires: 9/30/20

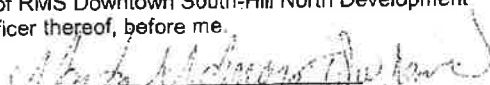
STATE OF CONNECTICUT)

) ss: New Haven

4/5, 2018

COUNTY OF NEW HAVEN)

Personally appeared, Randy Salvatore, Chief Executive Officer of RMS Downtown South-Hill North Development Company, LLC, one of the signer(s) and sealer(s) of the foregoing instrument who acknowledged the same to be the free act and deed of RMS Downtown South-Hill North Development Company, LLC, and of himself as Chief Executive Officer thereof, before me.


Notary Public

My Commission Expires: 9/30/22

SCHEDULE B

HOUSING AND URBAN DEVELOPMENT GRANTEE FUNDING SUMMARY REPORT CDBG

The completion and submission of this document is a requirement of your HUD contract award. Funding will not be disbursed until this document has been submitted and approved. Additionally, the information provided in this report will be used to evaluate grantee performance and future funding allocations.

A. Funding Year	2018 (CONTINUOUS AS TO LENGTH OF PROJECT)		
B. Name of Organization	RMS Downtown South-Hill North		
C. Name of Funding Source	CDBG RESIDENTIAL REHAB		
D. Grant Amount Approved FY 2017-2018	500,000		
E. Did the program have unexpended HUD funding FY 2016-2017? If yes, indicate carryover amount*	YES	NO	N/A
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Total Estimated Program Costs (All Sources)	\$6,725,046		
G. Did the program receive HUD funding in FY 2016-2017?	YES	NO	
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
H. Address of Organization	1 Landmark Square, Stamford, CT 06901		
I. Key Contact Person for Program Information	Randy Salvatore		
a. Title	Chief Executive Officer		
b. E-mail	randy@rms-companies.com		
c. Telephone	203-968-2341		
J. Key Contact Person for Financial Information	Jenifer Svelnys		
a. Title	Consultant		
b. E-mail	jen@hdtllc.com		
c. Telephone	203-345-9021		

Please provide a brief explanation for the remaining balance. Also indicate the year(s) and amount(s) in the description.

NONE

Please provide a brief explanation for the remaining carryover balance and plans for utilizing the carryover funds in the new FY.

NONE

Fiscal Year 2017-18

**HOUSING AND URBAN DEVELOPMENT
GRANTEE FUNDING SUMMARY REPORT
CDBG**

K. Please provide specific obtainable goals to achieve during the approved program fiscal year. In addition, provide quarterly obtainable benchmarks which can be measured to determine performance. For example:

- Human service grants should be measurable goals based on the amount of people served, number of activities, trainings, etc.
- Development related grants should be based on number of units produced, number of sidewalks completed, trees planted, community gardens created/maintained, etc.

(Goals must be based on what the Grantee can accomplish within the Program Year)

Provide 30 units of safe, affordable housing in the Hill-to Downtown area. These funds will be utilized to complete pre-development activities. CLOSING ON FINANCING AND ACQUISITION WITHIN 14 DAYS.

L. Please list your partners and/or funders. The information provided should include complementary services such as activities, programs and development initiatives which will accomplish the desired outcome. *(include type and amount of their investment or contribution in your program and indicate whether it's proposed or committed)*

	Partners/Funder Name	Related Services Provided	Contribution/Investment Amount	Proposed/Committed
1.	DOH CHAMP Funding			\$3,511,376
2.	RMS Equity Investor			\$2,713,670
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Note: Please provide the City contact person with written verification of all commitments from partners and/or funders

M. Provide an outline schedule for the delivery of services, programs or development initiatives for the approved activity. If it's a program please indicate the time the service will be provided to the clients. The schedule must be limited to activities that are to be funded under this agreement.

Fiscal Year 2017-18

**HOUSING AND URBAN DEVELOPMENT
GRANTEE FUNDING SUMMARY REPORT
CDBG**

Specific Program/ Project Activity	Start Date/Time	End Date/Time	Duration
predevelopment Activities- Acquire Development Rights; Environmental Reports, Architectual Plans and Specs	06/2017	1/2020	6 months
Financing preparation- City of New Haven	2/2018	4/1/2018	2 months
Financing preparation- 4% LIHTC & TE Bond Applications	5/2020		
Financial Closings	5/1/2020	8/1/2020	1 Month
Property Transfer		5/1/2020	
Construction	8/1/2020	8/1/2021	12 Months
Construction Hard costs	8/1/2020	9/1/2020	1 month
Lease Up and Sustained occupancy	9/1/2021	10/1/2021	1 month

Fiscal Year 2017-18

**HOUSING AND URBAN DEVELOPMENT
GRANTEE FUNDING SUMMARY REPORT
CDBG**

M. Budget Detail.

Please complete the following budget table. Amounts presented in budget must be consistent with the amount of HUD funding awarded for the current fiscal year.

Item #	Item Description	Total Project Budget	HUD Project Budget
50110	Salaries		
50150	Unemployment Compensation		
51809	Medical Benefits		
56695	Temporary Part Time Help		
58852	Social Security (F.I.C.A.)		
59933	Worker's Compensation		
53310	Mileage		
54411	Equipment*		
54418	Books, Maps (not subscriptions)*		
55538	Gasoline		
55572	Recreation Equipment*		
55574	Other Materials and Supplies*		
55584	Food and Food Products		
55594	Medical Supplies*		
56610	Advertising		
56615	Printing and Reproduction*		
56638	Insurance		
56650	Postage		
56653	Rental Assistance		
56654	Utility Assistance		
56656	Equipment Rentals*		
56694	Audit Services**		
56694	Other Contractual Services***	250000	146,405.75
56911	Inspections		
58658	Acquisition	750,000	50000
58694	Architectural Services	200,000	163,700.73
59968	Grants/Loan/Closing Costs	50,170	
	Civil Engineering	125000	41,538
	Mechanical Engineering	155000	35848.50
	Environmental Reports/Studies	75000	20188.27
	Developer's fees	300,000	0
	Legal	193,000	42,318.75
	Construction	4,591,872	0
TOTAL PROJECT BUDGET		6,585,042	500,000

*Indicate why the purchase is necessary to the project that is being funded.

**Applicable only if the project has expended \$500,000.00 or more of federal funding during the audited year.

***Other Contractual Services for any outside contractual services, provide a description of the need for those services and an explanation as to why they cannot be performed by the organization. A description of services that will be subject to a contract is required.

Fiscal Year 2017-18

**HOUSING AND URBAN DEVELOPMENT
GRANTEE FUNDING SUMMARY REPORT
CDBG**

Please use the following space to describe any of the budgeted items presented in the table:

*****PAYMENT SCHEDULE*****	
(DRAW DOWN BASIS REIMBURSEABLE):	
1.	Upon Execution of Contract with Drawdown and Backup accepted and approved by City of New Haven: Other Contractual Services; Architect, Engineering (mechanical and civil); Environmental Report/Studies; Legal Fees; Acquisition Development Rights Costs
2.	Upon completion of Transfer of Title of 49 Prince Street to RMS with Drawdown and Backup accepted and approved by City of New Haven: Balance of funds for soft costs/predevelopment
 **58658 ACQUISITION includes the costs to acquire development rights as well as costs of RMS to acquire title to 49 Prince Street	

N. Personnel Service Detail

The table should include staffing information for all persons who will participate in the activities funded under the HUD Grant.

Name	Title/ Position	Total Annual Salary	Amount of Salary this Grant	Monthly Grant Amount	# of Grant Hours per Month	Percent from Grant
n/a						
Sub-total:						n/a

Fringe Benefits	
51809 - Medical Benefits - Anticipated Costs	
Employer Taxes	
50150 Unemployment Compensation - Anticipated Costs	
59933 Workers Compensation - Anticipated Costs	
Estimated Total of Employer Benefit & Tax Costs	n/a

Fiscal Year 2017-18

**HOUSING AND URBAN DEVELOPMENT
GRANTEE FUNDING SUMMARY REPORT
CDBG**

O. Certification

By signing this document, the undersigned certifies that all of the information provided is true and accurate as of the time of this document preparation, and it is their intent to use the HUD funds awarded for the activities stated in this report as defined under the regulations established by the specific HUD funding source.

I Randall Salvatore (name) hereby acknowledge that the information provided in this document for the 49 Prince Street Project (list name of program / project / activity) are true and accurate.

Name:	Randall Salvatore RMS DOWNTOWN SOUTH-HILL NORTH
Title:	President
Signature:	X
Date:	5/22/2020













(FOR NEW HAVEN PERSONNEL ONLY)

Accepted By:	Catherine Schroeter
Name:	Cathy Schroeter
Title:	Deputy Director LCI
Date:	5/22/2020

06/04/2020 12:26:20 PM
Michael B. Smart City Clerk
City of New Haven

Fiscal Year 2017-18

Section IVA, Exhibit 6 – Real Estate Taxes

BILL #	NAME/ADDRESS	PROPERTY/VEHICLE	TOTAL TAX	PAID	OUTSTANDING	OPTIONS	PAY
2016-02-0854084 012386	PEOPLES UNITED BANK	555 LONG WHARF DR	\$483.50	\$483.50	\$0.00	   	
(PERSONALPROPERTY)							
2017-02-0854084 012386	PEOPLES UNITED BANK	555 LONG WHARF DR	\$447.86	\$447.86	\$0.00	   	
(PERSONALPROPERTY)							
2018-02-0854084 012386	PEOPLES UNITED BANK	555 LONG WHARF DR	\$358.02	\$358.02	\$0.00	   	
(PERSONALPROPERTY)							
2014-01-0004679 098 1008 03100	PEOPLES UNITED BANK	54 ANER ST 098 1008 03100	\$4,089.36	\$4,089.36	\$0.00	   	
(REAL ESTATE)							
2013-01-0008352 166 0741 02000 District: G (REAL ESTATE)	PEOPLES UNITED BANK	240 GRAND AV 166 0741 02000	\$19,533.04	\$19,533.04	\$0.00	   	
2013-01-0009064 170 0474 01800 (REAL ESTATE)	PEOPLES UNITED BANK	19 WARREN PL 170 0474 01800	\$2,815.44	\$2,815.44	\$0.00	   	
2016-01-0023550 353 1147 03200 (REAL ESTATE)	PEOPLES UNITED BANK	1496 ELLA T GRASSO BLVD 353 1147 03200	\$5,260.88	\$5,260.88	\$0.00	   	
2013-01-0025785 410 1252 00300 (REAL ESTATE)	PEOPLES UNITED BANK C/O REXANNE KUDRAVY WARGO	260 KOHARY DR 410 1252 00300	\$7,553.38	\$7,553.38	\$0.00	   	

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957568 visitors

Section IVA, Exhibit 7 – Commitment Letters



Justin Elicker
Mayor

CITY OF NEW HAVEN

LIVABLE CITY INITIATIVE
165 Church Street, 3rd Floor
New Haven, CT 06510
Phone: (203) 946-7090 Fax: (203) 946-4899



Serena Neal-Sanjurjo
Executive Director

May 27, 2020

Mr. Randy Salvatore
RMS 49 Prince Street LLC
1 Landmark Square
Stamford, CT 06901

Re: CDBG Funding Agreement – 49 Prince Street Rehabilitation Project
Re-issue from May 5, 2020 change in Term only

Dear Mr. Salvatore:

I am pleased to inform you that the City of New Haven has approved the conversion of a portion of the 2018 CDBG Grant funding (the "CDBG Grant Agreement") into a loan for the rehabilitation of the above-referenced properties. Based upon the information you submitted in your request for such grant to loan conversion, you are eligible to receive such conversion of funding for said property as set forth below. The purpose of this conversion to loan is to partially cover expenses relative to the predevelopment expenses for the substantial rehabilitation of said property. The funding source identified is CDBG Funds.

The terms of the City's assistance are as follows:

Name(s) of Borrower:	RMS 49 Prince Street LLC
Property Addresses:	49 Prince Street, New Haven, CT
Funding Source:	CDBG (Community Development Block Grant)
Use of City Funds:	Rehabilitation (Pre-development Costs)
Total Amount of CDBG Awarded:	\$500,000
Loan Amount:	\$208,851.42
Grant Amount:	\$291,148.58
Loan Amount Interest Rate:	.01% per annum
Loan Term:	40 years

- Loan Repayment:** The Loan Amount of \$208,851.42 plus interest shall be due and payable on June 1, 2060.
- Grant Repayment:** The Grant Amount of \$291,148.58, as disbursed pursuant to the terms and conditions of the Grant Agreement, is not repayable.
- Disbursement:** The Loan Amount funds will be disbursed as requisitioned and approved by LCI. All CDBG Funds will be used for predevelopment expenses for the property and disbursed upon submission of the required documentation regarding drawdowns. You will also submit to LCI your development budgets, sources, and uses statements for the property. The CDBG Grant Amount of \$291,148.58 has been previously disbursed and shall be forgiven in accordance with the Grant Agreement. The CDBG Loan funds in the amount of \$208,851.42 will be available for the above-stated purpose. Approval or funds may be withheld, rescinded or canceled at any time if the City believes the project is no longer feasible. However, no disbursement will take place until the applicable documents prepared exclusively by the City have been fully executed by all parties. The City will also conduct a final inspection of the completed work.
- Security:** The City will place an Open-Ended Mortgage on 49 Prince Street as a third (3rd) position in the amount of \$208,851.42.
- Publicity:** Borrower shall include the City (and/or State or Federal authorities as applicable) in any publicity involving this project. If a project sign is erected, the City shall be mentioned as a participant in a format approved by the City. The sign shall contain equal housing opportunity language or logo to that effect. You have submitted a proposed sign to the City which was approved on May 11, 2020.
- Commitment Expiration:** This commitment letter shall expire within six months of the date of this letter.

CONDITIONS OF CLOSING

1. Assumption Assignment and Modification Agreement is fully executed from RMS Downtown South-Hill Development Company, LLC. to RMS 49 Prince Street LLC.

2. Note and Open-Ended Mortgage is fully executed and delivered to the City of New Haven.
3. City approval of any significant changes to the development or operating pro forma. The budget for the predevelopment costs submitted can and may be revised prior to the commencement of construction only with prior approval of LCI staff.
4. Corporate authorization from borrower, in the form of a corporate resolution, to borrow funds from the City.
5. Preparation by borrower or borrower's counsel of necessary corporate documents, legal opinions, existence; title insurance policy, plot plan/survey, legal description of property, insurance certificates, and the like. The City acknowledges that the borrower has already provided it with a survey certified to the City, a legal description and an insurance certificate.
6. Evidence of historic review and sign off rehabilitation specifications by the New Haven City Plan Department if the property is listed as an historic property on a local, state, and/or federal inventory.
7. At the time of closing, you will provide proof of a hazard or property insurance policy for a value of no less than Six Million Dollars and Zero Cents (\$6,000,000.00). Such policy must name the City of New Haven, its successors and assigns, ATIMA, 165 Church Street, New Haven, CT, 06510, as third mortgagee for the City's mortgage financing. The City acknowledges that the Borrower has provided such proof.
8. At the time of closing, you will provide proof of general liability insurance with minimum coverage limits of One Million Dollars and Zero Cents (\$1,000,000.00) to cover the work to be performed under this agreement. Furthermore, the Borrower shall carry public liability insurance, which coverage includes automobile liability, workers compensation and employee liability and coverage for all operations it performs under this agreement with a limit of not less than One Million Dollars and Zero Cents (\$1,000,000.00) covering personal injury and property damage. You have also agreed to provide Umbrella Coverage in the amount of Ten Million Dollars and Zero Cents (\$10,000,000.00). Such policy(ies) must name the City of New Haven ATIMA, its employees and officials 165 Church Street, New Haven, CT, as an additional insured and a certificate holder. The Borrower shall provide the City with a certificate of insurance evidencing all required insurance policies. The City acknowledges that the Borrower has provided the required certificate of insurance.

9. No outstanding indebtedness to the City of New Haven including, but not limited to, property taxes, personal property taxes, liens or parking fines.

Ongoing Borrower Responsibilities:

1. Compliance with all program guidelines.
2. Rehabilitation and construction follow defined scope of work, as per specifications, and in conformance with all applicable health, housing, and building codes.
3. Compliance with affirmative marketing guidelines as promulgated by United States Department of Housing and Urban Development.
4. Compliance with the U.S. Secretary of the Interior's Standards for Rehabilitation if the property is listed as an historic property on a local, state, and/or federal inventory.
5. Demonstration of compliance with the Americans with Disabilities Act guidelines.
6. Demonstration of outreach efforts to contract with minority and women owned businesses.
7. Completion of statutory checklist for the Environmental Review Record for the address noted in the project; and evidence satisfactory to the City of lead paint status and abatement plans if necessary. The City acknowledges that the borrower has already completed the statutory checklist for the Environmental Review Record and provided an environmental assessment to the City.
8. Secure all required building permits and hazardous material disposal permits.
9. All terms, obligations and conditions contained in the CDBG Agreement (A18-0269) dated April 5, 2018, as modified by virtue of an Assignment, Assumption and Modification Agreement dated May 29, 2020 and recorded in the New Haven Land Records.

The City of New Haven is preparing a, note and mortgage deed for you to execute. We strongly advise you to secure legal counsel to review the documents. You will be responsible for recording the documents upon closing the loan.

Commitment Letter
RMS 49 Prince Street LLC
Page Five

By signing below, you also acknowledge that you understand the terms and conditions of the assistance and agree to comply with all program criteria and any violation thereof shall result in the City requiring you to repay immediately the full amount of the assistance provided to you.

I am pleased that we will be working together to address the housing needs of New Haven residents. If you have any questions, please feel free to call Serena Neal-Sanjurjo, Executive Director of the Livable City Initiative Bureau, at 946-7090.

Sincerely,

Serena Neal-Sanjurjo

Serena Neal-Sanjurjo
Executive Director

Accepted:
RMS 49 Prince Street LLC



Randy Salvatore

Cc: Catherine Carbonaro-Schroeter, Deputy Director

CONNECTICUT HOUSING FINANCE AUTHORITY

December __, 2019

RMS Downtown South-Hill North Development Company, LLC
1 Landmark Square
Stamford, CT 06901
Attn: Randy Salvatore, Chief Executive Officer

**Re: *Conditional Commitment for Hill-to-Downtown: 49 Prince Street
49 Prince Street New Haven, CT
CHFA Loan Number 18-013M***

Dear Mr. Salvatore,

The Connecticut Housing Finance Authority, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut (the "Lender"), hereby issues this conditional commitment (this "Commitment") for a construction mortgage loan (the "Construction Loan") and a permanent mortgage loan (the "Permanent Loan", together with the Construction Loan, collectively, the "Loan"), to be provided to RMS Downtown South-Hill North Development Company, LLC, a CT limited liability company (the "Borrower") pursuant to Lender's Multifamily Financing Rate Lock Program (as offered and amended from time to time by Lender, the "Program"), and subject to the terms and conditions contained herein. The information included herein is based on Lender's most recent underwriting, is subject to change, and includes estimated Loan interest rates, Loan amounts and Loan fees based on Lender's Board of Directors authorizing resolution dated November 21, 2019.

In accordance with the terms and conditions of the Program, Lender and Borrower shall establish a thirty (30) day Rate Lock Period (the "Rate Lock Period"). The Initial Closing (as defined herein) shall not occur during the initial seven (7) days of the Rate Lock Period. Upon the establishment of the Rate Lock Period, Lender and Borrower shall amend Schedule A, attached hereto and made a part hereof, setting forth the effective Initial Closing Loan interest rates, which shall be set by Lender at its then-prevailing interest rates. Initial Closing Loan amounts and Loan fees shall be determined based upon such effective interest rates. The establishment of the Rate Lock Period remains subject to Lender's Board of Directors authorizing resolution, Lender's Program requirements, and Lender's multifamily underwriting standards. Any fee amounts paid by Borrower prior to the establishment of the Rate Lock Period shall be calculated based on estimated amounts and shall be subject to adjustment, with any outstanding balance due, or any surplus amount credited by Lender on Borrower's account, at Initial Closing.

Page 1 of 1

Initial Here: _____

999 West Street / Rocky Hill, Connecticut 06067-4005 / 860-721-9501
An Affirmative Action / Equal Opportunity Employer



CONNECTICUT HOUSING FINANCE AUTHORITY

The terms and conditions of the Loan shall be as follows:

Lender: Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

Borrower: RMS Downtown South-Hill North Development Company, LLC
1 Landmark Square
Stamford, CT 06901

Commitment
Expiration Date: August 31, 2020

Initial Closing: A date mutually agreeable to Lender and Borrower for the closing of the Loan, *provided, however*, if the closing has not occurred on or before the Commitment Expiration Date, this Commitment shall expire and Lender shall be relieved of all obligations to make the Loan.

Construction
Loan Amount &
Construction
Loan Interest
Rate: As set forth on **Schedule A.**

Construction Loan
Repayment: Monthly repayments of interest only, in arrears, based upon the Construction Loan Amount advanced to date and computed based on a 365 or 366 day year (as applicable) and the actual number of days per month.

Construction Loan
Maturity: Two (2) years from the Initial Closing.

Permanent
Loan Amount &
Permanent Loan
Interest Rate: As set forth on **Schedule A.**

Permanent Loan
Repayment: Monthly repayments of interest only, in arrears, based upon the Permanent Loan Amount advanced to date and computed based on a 365 or 366 day year (as applicable) and the actual number of days per month, and commencing approximately October 1, 2022, (to be determined by actual initial closing date),

Initial Here:_____

CONNECTICUT HOUSING FINANCE AUTHORITY

monthly payments of principal and interest fully amortized over a Forty (40) year period, which monthly payments shall be determined on the basis of amortization using a 360 day year.

Permanent Loan
Maturity:

Forty two (42) years from the Initial Closing.

Advances of
Loan Proceeds:

Commencing with the Initial Closing, each advance of Loan proceeds shall be apportioned pari-passu between Construction Loan proceeds and Permanent Loan proceeds.

Loan
Origination Fee:

Non-refundable as set forth on Schedule A, except as adjusted upon the establishment of the Rate Lock Period.

The Loan Origination Fee shall be determined based on the total of the Construction Loan Amount and Permanent Loan Amount (collectively, the "Loan Amount"), as follows:

*2.00% of Loan Amount \leq \$1,000,000;
1.75% of Loan Amount $>$ \$1,000,000 but \leq \$2,500,000;
1.50% of Loan Amount $>$ \$2,500,000 but \leq \$5,000,000; or
1.25% of the Loan Amount $>$ \$5,000,000*

*The Loan Origination Fee shall be payable, as follows:
50% payable on date of this Commitment (the "Commitment Fee"); and
50% payable at Initial Closing*

Bond Cost of
Issuance Fee:

Non-refundable as set forth on Schedule A, except as adjusted upon the establishment of the Rate Lock Period.

*The Bond Cost of Issuance Fee shall be determined, as follows:
1.5% of the Loan Amount shall be due and payable at Initial Closing;
0.25% will be added to the Permanent Loan Interest Rate; or
0.75% will be added to the Construction Loan Interest Rate, provided, however, the
0.75% option is not available for construction-only financing*

Initial Closing
Extension Fee:

Non-refundable as set forth on Schedule A.

0.25% of the Loan Amount shall be due and payable in order to extend an established Rate Lock Period for an additional thirty (30) days.

Initial Here: _____

CONNECTICUT HOUSING FINANCE AUTHORITY

Rate Reset Fee: Non-refundable as set forth on Schedule A.

0.25% of the Loan Amount shall be due and payable in order to extend an established Rate Lock Period for a second (2nd) additional thirty (30) days, provided, however, Loan interest rates, amounts and fees would be then re-set to Lender's then current prevailing interest rates.

Resolution Extension Fee: Non-refundable as set forth on Schedule A, except as adjusted upon the establishment of the Rate Lock Period.

0.25% of the Loan Amount shall be due and payable in order to extend the Commitment Expiration Date by six (6) months.

Final Closing: The Final Closing shall occur on or before August 31, 2022 (the "Final Closing Deadline") in accordance with Lender's Standard Closing Requirements, provided, however, a \$5,000 fee shall be due and payable for each calendar month beyond such Final Closing Deadline in which the Final Closing has not occurred.

Development: The real estate and/or leasehold interest in the real estate and all improvements thereon known as Hill-to-Downtown: 49 Prince Street and located at 49 Prince Street, New Haven, CT.

Closing Costs: Borrower shall fund all third-party closing costs incurred by Lender, if any.

Real Estate Tax & Insurance Escrow: Commencing upon the date of the Construction Loan Maturity, in addition to and along with the required monthly payments under the Permanent Loan, Borrower shall deposit with Lender one-twelfth (1/12th) of the estimated annual real estate taxes or other assessments, payments in lieu of taxes, and insurance premiums for policies required under the Loan.

Replacement Reserve: Commencing upon the date of the Construction Loan Maturity, Borrower shall make monthly deposits of \$1,000 (subject to annual adjustments), all of which deposits shall be held and disbursed by Lender in accordance with the terms and conditions of Section 3(f) of the Standard Closing Requirements.

Operating

Initial Here: _____

CONNECTICUT HOUSING FINANCE AUTHORITY

Reserve: An initial deposit of approximately \$310,114, [**payable by Borrower OR from the Loan advance at the Initial Closing,**] will be required at Initial Closing, all of which deposits shall be held and disbursed by Lender in accordance with the terms and conditions of Section 3(f) of the Standard Closing Requirements.

Field Observation
Reserve:

An initial deposit of approximately \$24,000, [**payable by Borrower OR from the Loan advance at the Initial Closing,**] will be required at Initial Closing, which deposit shall be held and disbursed by Lender in accordance with the terms and conditions of Section 7(a)(B)(iii) of the Standard Closing Requirements.

Developer Fee:

Borrower shall be entitled to a developer's fee/allowance in an approximate amount of thirteen point nine percent (13.9%)] of the Lender-recognized total development cost in compliance with the terms and conditions of Section 7(a)(A) of the Standard Closing Requirements.

Assurance of
Completion:

Assurance of completion shall be required in accordance with the terms and conditions of Section 7(a)(B)(ii) of the Standard Closing Requirements.

Prepayment:

Except as provided herein, the Loan may not be prepaid in whole or in part at any time.

Affordability/
Use Restrictions:

The Development shall remain as affordable housing until the later of: (i) Forty Two (42) years following the Initial Closing, or (ii) the date of repayment to Lender of the full principal amount of the Loan, together with interest and all other indebtedness related thereto, whichever is later, in accordance with the following:

Area Median Income “ <u>AMI</u> ”	<u>0-Bedroom</u> <u>Units</u>	<u>1-Bedroom</u> <u>Units</u>	<u>2-Bedroom</u> <u>Units</u>	<u>Totals</u>
At or below 25% AMI Units	2			2
At or below 50% AMI Units	6			6
At or below 60% AMI Units	10	4	8	22
Market Rate Units				0
Total Units	18	4	8	30

Recourse:

The Loan shall be non-recourse to Borrower subject to Section 3(d) of the Standard Closing Requirements.

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CONNECTICUT HOUSING FINANCE AUTHORITY

Property

Management:

Borrower shall have competent on-site property management, approved by Lender and a detailed property management plan shall be in place at the time of the Initial Closing and throughout the term of the Loan.

Transfer:

The Development, or any interest therein, or any interest in Borrower, may not be transferred, pledged, or assigned, in whole or in part by Borrower, by operation of law, or otherwise, without the prior written consent of Lender.

Loan Security:

The Loan shall be evidenced by a Construction Loan promissory note and a Permanent Loan promissory note, both secured by an open-end mortgage deed granting to Lender a first (1st) priority lien on the Development, and all personal property related thereto, together with appropriate financing statements, and such other documents evidencing and securing the Loan as may be required by Lender.

Condition

and Value:

Immediately following the Initial Closing, Borrower shall commence rehabilitation/construction of the Development, and following such rehabilitation/construction and throughout the term of the Loan, all improvements on the Development shall be complete and in good repair and condition thereafter.

Title:

The Development shall be owned and/or leased by Borrower, whose title shall be good and marketable, fee simple and/or leasehold title, free and clear of all liens, encumbrances, security interests, restrictions and easements, except those approved by Lender.

Insurance:

Not less than ten (10) days prior to the Initial Closing, Borrower shall deliver to Lender policies of insurance in compliance with Section 4(a) of the Standard Closing Requirements, as applicable. All insurance shall be subject to the review and approval of Lender.

Access and

Observation:

Lender, or its agents or independent contractors, may access and/or observe the Development at any time prior to and after the Initial Closing and Borrower shall permit access to the Development at any reasonable time for such observation.

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CONNECTICUT HOUSING FINANCE AUTHORITY

Conditions

to Initial Closing:

The following are conditions to, and requirements for, to the Initial Closing of the Loan:

Lender's: (a) confirmation of Borrower's receipt of commitments satisfactory to Lender such that the total of the sources and uses of funds for completion of the Development are in balance, and (b) acceptance and approval of the final (i) form allocation of funds (sources and uses), (ii) form development budget, and (iii) form developer tax certificate (tax exempt bond issuance);

Lender's confirmation of Borrower's receipt of: (a) a commitment from the State of Connecticut Department of Housing ("DOH") for no less than \$2,751,000. in subordinate funding, with terms and conditions satisfactory to Lender (or that Borrower produce a commitment for a comparable amount from other sources with terms and conditions satisfactory to Lender), and (b) State Bond Commission approval for any such DOH commitment or any state agency financing in lieu thereof;

Lender's acceptance and approval of the Borrower's final form operating agreement or limited partnership agreement, including terms which enable Lender to confirm Borrower's receipt of sufficient annual 4% Low-Income Housing Tax Credits to produce net syndication proceeds of no less than \$2,688,000. (or produce at least that amount from other sources and with terms satisfactory to the Lender);

Lender's acceptance and approval of the documentation evidencing annual energy rebates of approximately \$65,600. (or that Borrower produce a comparable amount from other sources and with terms satisfactory to Lender);

Lender's confirmation that Borrower has obtained a commitment from the City of New Haven Livable City Initiative for approximately \$500,000. with terms and conditions satisfactory to the Lender, unless the Borrower produces a commitment for a comparable amount from other sources with terms and conditions satisfactory to the Lender;

Documentation satisfactory to Lender that Borrower has available at least \$619,000. in cash equity either in place or available, or that the Borrower produce at least that amount from other sources with the terms and conditions satisfactory to the Lender;

Lender's acceptance of Borrower's receipt of a subordinate Deferred Developer Fee Loan in the amount of not less than \$71,000. or that Borrower produce a

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CONNECTICUT HOUSING FINANCE AUTHORITY

commitment for at least that amount from other sources with terms and conditions satisfactory to the Lender;

All governmental approvals and zoning compliance for the Development be in place and accepted by Lender;

Lender's acceptance and approval of the Development's final (a) construction costs, (b) 100% plans and specifications, (c) ALTA survey with certifications to the Lender and the title insurance company, (d) form owner/architect agreement, (e) form general construction contract, (f) form project cost summary, (g) form exploded trade payments breakdown, and (h) form 100% payment and performance bonds;

Lender's acceptance and approval of documentation regarding hazardous waste testing at the Development (including an environmental site assessment), and, if applicable, removal and disposal;

Lender's acceptance and approval of Borrower's proposed property management organization and related documents for the Development, including the submission of an executed Management and Affirmative Fair Marketing Agreement acceptable to Lender;

Lender's acceptance and approval of a flood certification for the Development;

Lender's acceptance and approval of a pro forma mortgagee title insurance policy;

Such additional items as Lender may require as evidence which demonstrates to the Lender's satisfaction that the Borrower can close the Loan within thirty (30) days after the establishment of the Rate Lock Period;

Borrower being in compliance with all of the requirements of the Program and all applicable state regulations promulgated in connection therewith as determined by Lender;

Lender's acceptance and approval of Borrower's proposed operating income and expenses for the Development;

Lender's acceptance and approval of independent "as-is" and "as developed" appraisals and a market acceptance analysis for the Development;

The payment by Borrower to Lender: (a) in cash, at the time of execution of this Commitment, of a non-refundable Commitment Fee in an amount determined in

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CONNECTICUT HOUSING FINANCE AUTHORITY

accordance with Schedule A, attached hereto and made a part hereof, and (b) a Loan Origination Fee and Bond Cost of Issuance Fee in an amount determined in accordance with Schedule A, payable at Initial Closing;

Execution and delivery of all required closing loan documents and instruments, including a promissory note, mortgage, declaration of restrictive covenants, regulatory agreement, escrow agreement, financing statements, subordination agreements with respect to new and existing debt (as necessary), and all other agreements determined to be necessary by Lender for the Initial Closing;

There shall be no misrepresentation or material omission in, or material change to, the information contained in, or provided with, Borrower's loan application;

No material damage shall have occurred to the Development that is not fully restored and no portion of the Development shall have been taken by eminent domain or condemned;

No material adverse change shall have occurred to the Development or the condition of Borrower;

No legal proceedings shall affect the Development or Borrower;

All terms and conditions of this Commitment shall have been fully satisfied;

The satisfactory assessments by Lender's staff on the Development's environmental, physical needs, market issues and valuation;

Review and approval of all necessary loan documents by Lender's legal counsel, and in the event of any conflicts between this Commitment and any of the loan documents evidencing the Loan, it is the parties intent that the terms of the respective loan documents shall govern; and

Compliance with all of Lender's other requirements contained in its "*Standard Closing Requirements*" which requirements are available at:

http://www.chfa.org/assets/1/6/standard_closing_requirements.pdf?7577

the terms of which are incorporated herein by reference, *provided, however*, if there is any inconsistency between the provisions of this Commitment and the Standard Closing Requirements, the terms of this Commitment shall control.

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CONNECTICUT HOUSING FINANCE AUTHORITY

Indemnity: Borrower hereby indemnifies and holds harmless Lender from and against any and all claims for any fees, charges or commissions, including brokerage claims, arising out of or in connection with this Commitment or the Loan.

Not Assignable: This Commitment is personal to Borrower and is not assignable by Borrower without Lender's prior written consent.

Forum and Applicable Law: In the event any dispute arises as to this Commitment, the parties agree that the same shall be litigated in the state courts of the State of Connecticut and the laws of the State of Connecticut shall apply.

Entire Agreement: This Commitment sets forth all the covenants, conditions and undertakings between Borrower and Lender relating to this Commitment and supersedes any and all prior commitments, agreements, understandings and inducements, expressed or implied, whether written or oral, relating to the subject matter hereof. This Commitment may not be modified, amended, altered or supplanted, except upon the execution and delivery of a written revised commitment executed by Lender and Borrower.

Please indicate Borrower's acceptance of the terms of this Commitment by executing below and initialing each page hereof, and returning to Lender two (2) original copies of this Commitment along with the non-refundable Commitment Fee. The two (2) accepted Commitments along with the Commitment Fee should be sent to the attention of Deborah Alter at Deborah.alter@chfa.org. One (1) original copy of this Commitment signed by Lender shall be returned to Borrower for its records.

Initial Here: _____

CONNECTICUT HOUSING FINANCE AUTHORITY

A signed acceptance of this Commitment must be received by Lender on or before 5:00 PM E.S.T. on December 13, 2020. This Commitment Letter shall not be effective until accepted by Borrower and signed by Lender, and if not accepted by Borrower by the said date, shall be of no further force or effect.

If Borrower has any questions with respect to this Commitment, please call Deborah Alter at 860-571-4234. On behalf of Connecticut Housing Finance Authority, we look forward to working with you in connection with this Loan.

Sincerely,

CONNECTICUT HOUSING FINANCE AUTHORITY

By: _____
Name:
Title:
Duly Authorized

COMMITMENT ACCEPTANCE

On behalf of Borrower, the undersigned does hereby accept this Commitment, and accepts and acknowledges all of the terms and conditions set forth herein.

[_____]
By: [_____]
Its [_____]

By: _____
Name:
Title:
Duly Authorized

Date: _____, 20__

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CONNECTICUT HOUSING FINANCE AUTHORITY

Schedule A

Loan Amounts, Loan Interest Rates & Loan Fees

Construction Loan Amount	Up to \$2,960,000.
Construction Loan Interest Rate	Not to exceed 4.87% per annum
Permanent Loan Amount	Up to \$1,500,000.
Permanent Loan Interest Rate	Not to exceed 5.24 % per annum
Loan Origination Fee	\$56,250 total <u>\$28,125 TO BE PAID AT COMMITMENT SIGNING</u> \$28,125 (balance due at Initial Closing)
Bond Cost of Issuance Fee	\$56,250
Initial Closing Extension Fee	\$9,375
Rate Reset Fee	\$9,375
Resolution Extension Fee	\$9,375
Final Closing Extension Fee	\$5,000 for each month (or part thereof) beyond the required Final Closing Deadline

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Ned Lamont
Governor

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



Seila Mosquera-Bruno
Commissioner

October 31, 2019

Mr. Randy Salvatore
President
RMS Downtown South –Hill North Development Company, LLC
1 Landmark Square
Stamford, CT 06901

Re: Hill-to-Downtown: 49 Prince Street (the “Project”)

Dear Mr. Salvatore:

I am pleased to provide you with a summary of the specific terms and conditions under which the State of Connecticut, acting by and through the Department of Housing (“DOH”) expects to provide financial assistance for the Project.

This term sheet is not an agreement to provide the financial assistance described herein. DOH shall not be obligated to provide such financial assistance unless and until an assistance agreement between DOH and your organization (the “Assistance Agreement”) has been fully executed and all other closing requirements have been satisfied.

You may wish to consult your legal counsel regarding the terms, conditions and contracting requirements set forth herein.

If the terms, conditions and contracting requirements set forth herein are acceptable to you, please sign this letter where indicated below and return to your project manager within 14 calendar days.

Your project manager is: Jennifer Ponte. If you have any questions regarding this matter, please contact your project manager at jennifer.ponte@ct.gov or (860) 270-8115.

Sincerely,


Seila Mosquera-Bruno
Commissioner

Agreed to and Accepted By:

RMS Downtown South –Hill North Development Company, LLC

Signed By:


Name: Randy Salvatore
Its: President


Date

I. PROJECT SPECIFIC TERMS AND CONDITIONS

1. FUNDING COMMITMENT: Subject to the terms and conditions set forth herein, the State of Connecticut (the "State"), acting by and through the Department of Housing (the "Agency") or a successor state agency, expects to provide the financial assistance set forth in Section 4 below (the "Financial Assistance") for the Hill-to-Downtown: 49 Prince Street project (the "Project") to RMS Downtown South- Hill North Development Company, LLC, Inc., existing pursuant to the laws of the State of Connecticut, or an affiliated entity approved by Agency, at its sole discretion (the "Sponsor").

2. PROJECT DESCRIPTION: The Project is located at 49 Prince Street in the City of New Haven (the "Property"). The Project includes the rehabilitation of thirty rental housing units (the "Affordable Units") will be subject to the affordability restrictions as described in Section 8 below.

3. SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS

Agency Financial Assistance	\$ 2,751,000
CHFA LIHTC Proceeds	\$ 2,684,054
CHFA First Mortgage	\$ 1,100,000
Developer/Investor Cash Equity	\$ 586,583
Deferred Developer Fee	\$ 38,986
Energy Rebates	\$ 65,625
City of New Haven	\$ 500,000
TOTAL	\$ 7,726,248

USES OF FUNDS

Construction Hard Costs	\$ 4,531,872
Construction Contingency	\$ 375,000
Architectural/Engineering	\$ 240,000
Finance and Interim Costs	\$ 388,735
Soft Costs (Fees and Expenses)	\$ 189,001
Developer Fees	\$ 798,109
Site Acquisition	\$ 725,000
Capitalized Reserves	\$ 379,192
Entity and Syndication Costs	\$ 99,339
TOTAL	\$ 7,726,248

4. FINANCIAL ASSISTANCE:

Sponsor: RMS Downtown South -Hill North Development Company, LLC or an affiliated entity approved by the Agency, at its sole discretion.

Statutory Authority: Housing Trust Fund, CGS §§ 8-336m through 8-336q

Amount: \$2,751,000

Type: Loan

Term: 40 years from loan effective date with a balloon payment due on Maturity Date.

Interest Rate: 1% simple interest. Accrual commences on the first anniversary of the loan effective date.

Balloon Payment: No payments of principal or interest will be required during the term of the loan. All outstanding principal and accrued interest will be due and payable on the Maturity Date.

Use of the Financial Assistance: The Financial Assistance may be used for general construction in accordance with a budget to be mutually agreed upon and, in any event, only for costs eligible under the applicable Statutory Authority. The proposed use of the Financial Assistance is as follows:

\$ 2,726,000	Construction
\$ 25,000	Agency Legal
\$ 2,751,000	Total

5. COLLATERAL: To secure its obligations in connection with its receipt of the Financial Assistance for the Project as contemplated herein, the Sponsor shall grant to the State, acting by and through the Agency, (i) a mortgage with no less than a second lien position on the Property (including all buildings and other improvements located thereon or to be constructed thereon); (ii) a conditional assignment of all rents, issues and profits derived from the Property; (iii) a security interest in all furnishings, building materials, fixtures, equipment and other personal property owned by the Sponsor located at and used in connection with the construction, use and operation of the Property; and (iv) a conditional assignment of and security interest in and to all construction contracts, operating contracts, licenses, permits and other public approvals necessary to construct, occupy and operate the Project for its intended use (collectively, the "Collateral"). All legal matters in connection with the Financial Assistance, including, for example, the Collateral, shall be acceptable to the Agency and its legal counsel.

6. TIME AND PLACE OF CLOSING: The closing shall take place at the offices of the Agency, 505 Hudson Street, Hartford CT 06106, or at such other place designated by the Agency's Commissioner (the "Commissioner"), on or before January 31, 2020 unless such date shall be extended, by the Commissioner at her discretion. The Commissioner shall not be obligated to schedule a closing or to close the transaction contemplated herein until she has received all documents required for the closing in form and substance satisfactory to her and the Agency's legal counsel, including any documents required to be executed prior to closing. In the event the closing does not occur by the

aforementioned date, the Commissioner, in her sole discretion, may terminate this term sheet.

7. ENVIRONMENTAL: The Sponsor shall provide to the Agency true and complete copies of all environmental site assessments undertaken or obtained by the Sponsor with respect to the Property. The Agency may also require the submission of additional environmental reports. The results of all environmental site assessments shall be satisfactory to the Agency, in its sole discretion. All required remediation work, if any is necessary in connection with the Project, shall be properly completed and evidence of proper remediation, satisfactory to the Agency, shall be submitted to the Agency. If required by the Agency, the Sponsor shall provide proof that the Property is insurable against environmental hazards. At the request of the Agency, the Sponsor shall execute an environmental indemnity agreement in form and substance satisfactory to the Agency.

8. AFFORDABILITY REQUIREMENTS:

a. Household Income Limits

Throughout the Affordability Period (as defined below) the number, unit mix, and maximum household income thresholds for the Affordable Units shall be consistent with the chart below.

Affordable Units		
Unit Type	Income Limit by AMI Band	# of Units
0 Bedroom	25% AMI	2
0 Bedroom	50% AMI	6
0 Bedroom	60% AMI	10
1 Bedroom	60% AMI	4
2 Bedroom	60% AMI	8

b. Rent Limits

Throughout the Affordability Period, the base rent limits for the Affordable Units shall not exceed an amount that, together with the utility allowance for any utilities paid by the tenant of such Affordable Unit, is determined to be affordable for the area median income for the municipality in which the Project is located, adjusted for household size, as such area median income is determined by the Agency, with reference to data made available to the Agency by the U. S. Department of Housing and Urban Development ("AMI").

For reference purposes, the current maximum rent limits for the Affordable Units are set forth in the chart below. Please note, these limits are subject to modification in the event that applicable AMI thresholds change.

Rent Limits by AMI Band			
	0 Bedroom	1 Bedroom	2 Bedroom
25% AMI	\$398		
50% AMI	\$858		
60% AMI	\$1,042	\$1,107	\$1,321

When the Agency amends its rent limits, the Agency shall make such information available to the Sponsor. The Sponsor shall not adjust rents except in accordance with the rental limits established by the Agency. The Sponsor shall provide each tenant a minimum of thirty (30) days prior written notice before implementing a rent increase.

The Agency acknowledges that the base rent applicable to the Affordable Units may be established at a lower level to comply with other lenders' requirements.

9. AFFORDABILITY PERIOD: The Affordable Units shall be subject to the rent and household income requirements set forth in Section 8 for a period of not less than forty (40) years commencing on the date of the Declaration (as defined below) (the "Affordability Period"). The Sponsor shall execute a Declaration of Land Use Restrictive Covenant (the "Declaration") in favor of the State, acting by and through the Agency, providing that the applicable affordability requirements shall be covenants running with the land, encumbering the Property and binding upon the Sponsor and its respective successors in title and all subsequent owners of the Property. The Declaration will be senior to all encumbrances on the Property and will survive foreclosure.

10. CONSTRUCTION START DATE: Not later than April 30, 2020

11. REQUIRED COMPLETION DATE: December 31, 2022

12. EXPIRATION: Your countersignature is required no later than **FOURTEEN** days from the date of this letter. If your countersignature is not received by the aforementioned date by the Agency, this term sheet will be considered null and void.

13. PROCUREMENT: The Sponsor shall comply and shall cause its general contractor and, if requested by the Agency, all major subcontractors engaged in the Project to comply with the Agency's Procurement Standards, as they may be modified or superseded from time to time, or as otherwise required by the Agency, including, but not limited to, using, at a minimum, a Request for Proposal process in selecting its general contractor and, if requested by the Agency, all major subcontractors. As used herein, "major subcontractors" means the subcontractors performing any of the major trades in connection with the completion of the Project in accordance with Agency policy. In addition, the Sponsor shall comply with all applicable law, including, without limitation, regulations of the Connecticut Commission on Human Rights and Opportunities.

14. PERMITTED SUCCESSORS AND ASSIGNS: The Sponsor agrees not to transfer, assign, pledge or hypothecate any right or interest in any payment or advance in respect of the Financial Assistance, or any of the other benefits of the Financial Assistance, without the prior written consent of the Agency.

15. DISBURSEMENT OF FUNDS: The amount of the Financial Assistance shall not exceed the amount specified in Section 4 above and shall be disbursed by the Commissioner in accordance with the terms and provisions of the Assistance Agreement (as defined below) based upon the development costs as more fully set forth in the Development Budget. The Sponsor shall only request disbursement of funds at such times as funds are required for payment of eligible actual costs incurred.

16. TRANSACTION COSTS: In consideration for the efforts the Agency will undertake in connection with this transaction, which efforts the Sponsor hereby acknowledges, the Sponsor shall be responsible for the payment of all necessary and appropriate costs associated with this transaction, whether or not a closing takes place, including, but not limited to, the Agency's attorneys' fees and other such closing costs incurred by the Sponsor or the Agency or otherwise associated with the Financial Assistance.

17. INCURRING DEVELOPMENT COSTS: The Financial Assistance may not be used to pay for any costs incurred prior to December 13, 2019.

18. APPRAISAL: The as-is and to-be-developed values of the Property must be appraised by an independent appraiser reasonably acceptable to the Agency and such appraisal shall be provided to the Agency prior to closing. The Agency may, at its discretion, accept copies of an appraisal performed for another party contributing funding to the Project. If any portion of the Financial Assistance will be used for the acquisition of the Property and the purchase price of the Property equals or exceeds \$100,000 two such appraisals are required.

19. DEBT SERVICE COVERAGE RATIO: If the Financial Assistance will be provided as a loan, then, unless otherwise agreed to by the Agency, at no time during the term of the loan shall the Debt Service Coverage Ratio be less than 1.15. "Debt Service Coverage Ratio" shall mean the ratio of (i) the net operating income derived from the Property to (ii) the Sponsor's aggregate obligation to make payments of principal, interest, late fees, and other amounts with respect to all indebtedness relating to the Property.

20. AFFIRMATIVE MARKETING PLAN: The Sponsor shall adopt and provide to the Agency a marketing plan detailing the procedures, requirements, and assessment criteria for the Affirmative Marketing of the Affordable Units, which plan shall be subject to the approval of the Agency in its sole discretion.

21. TENANT SELECTION PLAN: The Sponsor shall adopt and provide to the Agency a plan detailing procedures, requirements and assessment criteria for selecting tenants to occupy such Affordable Units, which plan shall be subject to the approval of the Agency in its sole discretion.

22. ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN: The Financial Assistance is contingent upon the Sponsor's compliance with the State and/or Federal Uniform Relocation Act, as applicable. If any portion of the Property is currently

occupied, the Sponsor shall provide to the Agency a residential anti-displacement and relocation assistance plan and will comply with the plan if persons are displaced as a result of the Project, including compliance with CGS Chapter 135, the Uniform Relocation Assistance Act.

23. SUBJECT TO APPROVALS AND AUTHORIZATIONS: The Sponsor acknowledges that the obligation of the Agency to provide the Financial Assistance is subject to the normal State-approval processes, including, but not limited to, the full execution of an Assistance Agreement between the Sponsor and the Agency (the "Assistance Agreement") and, if required, review and approval of all final documentation by the Office of the Attorney General as to form and substance. This term sheet is not a contract by the State. The State shall not be obligated to provide the Financial Assistance until a contract (for which all approvals required by law or the Sponsor's policies, as the case may be, have been obtained) has been executed in accordance with all applicable State and corporate procedures. Without limiting the generality of the foregoing and notwithstanding any other provisions of this term sheet, the State, in accordance with applicable law and/or the policies of the Agency and/or other State agencies, may elect to withdraw this term sheet and withhold payment of funds if:

- i. the Sponsor shall have made to the State any material misrepresentation in the Project data supporting the funding request, in the application or any supplement thereto or amendment thereof, or thereafter in the Assistance Agreement, or with respect to any document furnished herewith; or
- ii. the Sponsor shall have abandoned or terminated the Project, or made or sustained any material adverse change in its financial stability and structure, or shall have otherwise breached any condition or covenant, material or not, in this term sheet and/or thereafter in the agreement.

24. AVAILABILITY OF FUNDS: The Sponsor acknowledges and agrees that the availability of the Financial Assistance is subject to the approval of the State Bond Commission and that in the event that such approval is not obtained or that at any time the Agency determines, in its discretion, that such approval is not likely to be obtained within a reasonable period of time, the Agency may terminate this term sheet. The Sponsor agrees that notwithstanding any such withdrawal, the Sponsor is responsible for the payment of all necessary and appropriate costs associated with the transaction contemplated herein as more specifically provided in Section 16 above.

25. ALTERNATIVE SOURCES OF FUNDING: The Sponsor acknowledges and agrees that, notwithstanding anything to the contrary herein, the Agency may modify the source of the Financial Assistance.

26. SELECTED ASSISTANCE AGREEMENT TERMS: To assist you in preparation for the closing, selected terms and conditions of the Assistance Agreement are set forth in Attachment A, attached hereto. Please note, this is not intended to be a comprehensive summary of all of the terms and conditions of the Assistance Agreement.

27. CLOSING CHECKLIST: The items that should be submitted to the Agency prior to the closing are set forth in Attachment D, attached hereto. Please note, additional

Project Name: Hill-to-Downtown: 49 Prince Street
Project Number: HT1909301

items specific to this transaction may be required. All such items and all correspondence related to the Project and the Financial Assistance should be submitted with a clear reference to the name and number of the Project, as follows:

Hill-to-Downtown: 49 Prince Street
HT1909301

Attachment A

PARTIAL LISTING OF AGENCY CONTRACTING REQUIREMENTS

The full text of these provisions will be contained in the Assistance Agreement. As mandatory state contracting requirements, these provisions are subject to change and may be amended from time to time.

1. Compliance with Applicable Legal Requirements: The Sponsor shall promptly and faithfully comply with, conform to and obey all present and future federal, state and local statutes, regulations, rules, ordinances and other legal requirements applicable, by reason of the Financial Assistance or otherwise, to the Project.

2. Insurance: The Sponsor shall provide the Agency with evidence of all required insurance in amounts, form, substance, and quality acceptable to the State, prior to closing. Insurance requirements for the Project are set forth in Attachment B, attached hereto. All insurance certificates must be endorsed to the State of Connecticut as "Additional Insured" except as otherwise set forth in Attachment B.

3. Set-Aside for Small contractors and Minority business enterprises:

(a) It is the policy of the Agency that recipients of financial assistance from the Agency shall contract with "Small contractors" and "Minority business enterprises" (each as defined in CGS § 4a-60g) for projects for which such financial assistance is provided by the Agency. To comply with this policy, the Sponsor shall make a good faith effort:

- (i) to award contracts for at least twenty-five percent (25%) of the Financial Assistance to Small contractors; and
- (ii) to award at least twenty-five percent (25%) of the Small contractor set-aside amount to Minority business enterprises.

The Sponsor may, but is not obligated to, award set-aside contracts through one or more competitive solicitations in which only Small contractors and Minority business enterprises may compete.

(b) The Agency's policy on set-aside contracts shall apply only when the Sponsor enters into a contract or portions of contracts for costs pertaining to construction, rehabilitation, renovation or maintenance activities and the purchase of goods and services, including project planning costs. For purposes of this section, "goods and services" means the purchase of, and contracts for, supplies, materials, equipment, and contractual services, except gas, water, and electric light and power services.

(c) The Sponsor shall report its good faith efforts to comply with this policy and list all Small contractors and Minority business enterprises to which the Sponsor awarded contracts and the amount of each such contract award in the project progress report described in Section 4 below.

4. Project Progress Reporting: The Sponsor shall submit quarterly project milestones and progress reports, in a form and substance acceptable to the Agency. The quarterly progress and financial reports shall be provided to the Agency no later than thirty (30) days after March 31st, June 30th, September 30th, and December 31st of each calendar year until ninety (90) days after the expiration of the Project Completion Date (as defined in the Assistance Agreement).

5. Annual Tenant Demographic Report: The Sponsor agrees that annually, during the Affordability Period and for one (1) year thereafter, it shall furnish to the Agency a report on the race and income of the households occupying the Project. Such report shall be filed annually on or before October 31st for the twelve (12) month period ending on the preceding September 30th, and shall be in a form prescribed by the Agency. If requested by the Agency, the Sponsor shall submit supporting documentation and permit the Agency to make an on-site inspection to verify the information in such report.

6. Financial Statements: The Sponsor shall furnish to the Agency, if requested, within one hundred twenty (120) days of the end of each of the Sponsor's fiscal year(s), or earlier as determined by the Agency: (1) its financial statements in form acceptable to the Agency and (2) such additional financial and other information as the Agency may in its sole discretion require from time to time.

7. Use of Financial Assistance: The Sponsor shall use the Financial Assistance only to pay or reimburse costs that are eligible under the Statutory Authority and only in accordance with the Project Timetable and the Development Budget (each, as defined in the Assistance Agreement), as either may be modified from time to time in accordance with this Agreement. If any portion of the Financial Assistance shall be determined to have been used by the Sponsor for something other than an eligible cost, the Sponsor shall immediately pay the Agency, from the Sponsor's own funds (i.e. funds from a source other than the Agency or any other State agency), the entire amount of the Financial Assistance that was determined to have been used for something other than an eligible cost together with interest thereon from the date of disbursement until repaid, provided, however, that the Sponsor shall, subject to its full cooperation with the Agency, be entitled to participate in any opportunity to remedy, contest, or appeal such determination.

8. Labor Law Compliance and Records: To the extent applicable, the Sponsor, its general contractor, and all other parties performing any work in connection with the Project shall comply with the provisions of CGS § 31-69a through § 31-76k. All contracts entered into by the Sponsor for the purpose of undertaking the Project shall comply with all applicable federal, state and local labor laws, regulations, standards and other legal requirements. Without limiting the generality of the foregoing, every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must comply with the Davis-Bacon Act, 40 USC 276a - 276a-5 and all other applicable legal requirements under the HOME Investment Partnerships Program.

9. Ownership of the Property: Except as expressly permitted otherwise in the Assistance Agreement, the Sponsor shall not sell, lease, or otherwise dispose of all or any

portion of the Property or any interest therein, without in each instance the prior written consent of the Agency in its sole discretion.

10. Fair Housing: The Sponsor shall comply with all applicable provisions of §§ 8-37ee-1 through 8-37ee-17 and §§ 8-37ee-300 through 8-37ee-314 of the Regulations of Connecticut State Agencies related to fair housing choice and racial and economic integration.

11. Audits: Audits shall be conducted in accordance with Agency audit requirements and all other applicable State audit requirements.

12. Compliance with Nondiscrimination and Affirmative Action in accordance with CGS § 4a-60: The Sponsor agrees to provide each labor union or representative of workers with which the Sponsor has a collective bargaining agreement or other contract or understanding and each vendor with which the Sponsor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Sponsor's commitments under this section, and to post copies of such notice in conspicuous places available to be seen by employees and applicants for employment.

Specifically, but not by way of limitation, the Sponsor agrees to the following:

(A) Definitions. For the purposes of subsection (B) of this Section 12, the following terms are defined as follows:

1. **"Commission"** means the Connecticut Commission on Human Rights and Opportunities
2. **"Contract"** and **"contract"** means the Assistance Agreement and any extension or modification of the Assistance Agreement;
3. **"Contractor"** or **"contractor"** means the Sponsor and includes any successors or assigns of the Sponsor;
4. **"Gender identity or expression"** means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose.
5. **"Good faith"** means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;

6. **"Good faith efforts"** shall include, but not be limited

to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;

7. **“Intellectual disability”** means a significant limitation in intellectual functioning and deficits in adaptive behavior that originated during the developmental period before eighteen years of age;

8. **“Marital status”** means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;

9. **“Mental disability”** means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association’s “Diagnostic and Statistical Manual of Mental Disorders”, or a record of or regarding a person as having one or more such disorders;

10. **“Minority business enterprise”** means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of CGS § 32-9n; and

11. **“Public works contract”** means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of subsection (B) of this Section 12, the terms **“Contract”** and **“contract”** do not include a contract where each contractor is (a) a political subdivision of the State, including, but not limited to, a municipality, (b) a quasi-public agency, as defined in CGS § 1-120, (c) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in CGS § 1-267, (d) the federal government, (e) a foreign government, or (f) an agency of a subdivision, agency, state or government described in the immediately preceding items (a), (b), (c), (d) or (e).

(B) **Nondiscrimination.**

1. The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown

by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved.

2. The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission.

3. The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor agrees to comply with each provision of CGS §§ 4a-60, 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to CGS §§ 46a-56, 46a-68e, 46a-68f and 46a-86.

5. The contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of CGS §§ 4a-60 and 46a-56.

6. The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

7. The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the contractor's commitments under CGS § 4a-60a, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

8. The contractor agrees to comply with each provision of CGS § 4a-60a and with each regulation or relevant order issued by said Commission pursuant to CGS § 46a-56; and

9. The contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of CGS §§ 4a-60a and 46a-56.

If the contract is a public works contract, the contractor agrees and warrants that he or she will make good faith efforts to employ Minority business enterprises as subcontractors and suppliers of materials on such public works project.

Determination of the contractor's good faith efforts shall include, but shall not be limited to, the following factors: the contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of Minority business enterprises in public works projects. The contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

The contractor shall include the provisions of subsections (1) through (9) of this subsection (B) in every subcontract or purchase order entered into in order to fulfill any obligation of the contract and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with CGS § 46a-56; provided if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

The contractor agrees to comply with the statutes, regulations, and other legal requirements referred to in this subsection (B) as they exist on the date of the Contract and as they may be adopted or amended from time to time during the term of the Contract and any amendments thereto.

13. Campaign Contribution and Solicitation Prohibitions: For all State contracts, as defined in CGS § 9-612, as amended from time to time, having a value in a calendar year of \$50,000 or more, or a combination or series of such agreements or contracts having a value of \$100,000 or more, the Sponsor's authorized signatory to the Assistance Agreement shall expressly acknowledge receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice, as set forth in "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations" (formerly SEEC Form 11), attached as Attachment C.

14. Compliance with Executive Orders: The Assistance Agreement (referred to as "this Agreement" in the paragraphs below) shall require the Sponsor to comply with the certain Executive Orders, to the extent applicable, in accordance with the following provisions:

(A) Executive Order No. 3. This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation or of noncompliance with said Executive Order No. Three, or any State or Federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to Agreement performance in regard to nondiscrimination, until the Agreement is completed or terminated prior to completion. The [Sponsor] agrees as part consideration hereof, that this contract is subject to the guidelines and rules issued by the State Labor Commissioner to implement Executive Order No. Three and that it will not discriminate in his employment practices or policies, will file all reports as required, and will fully cooperate with the State and the State Labor Commissioner.

(B) Executive Order No. 17. This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the Commissioner or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that the Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to Agreement performance in regard to listing all employment openings with the Connecticut Employment Service.

(C) Executive Order No. 16. This Agreement is subject to, and [the Sponsor] hereby agrees to abide by Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, and, as such, this Agreement may be cancelled, terminated or suspended by the State for violation or noncompliance with said Executive Order No. Sixteen.

(D) Executive Order No. 14 and Executive Order No. 49. The Agreement may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, and Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office in accordance with their respective terms and conditions. If Executive Orders 14 or 49 are applicable, they are deemed to be incorporated into and are

made a part of the Agreement as if they had been fully set forth in it. At the Grantee's request, the State shall provide a copy of these orders to the Grantee.

15. Summary of State Ethics Laws: Pursuant to the requirements of CGS § 1-101qq, the summary of State ethics laws developed by the State Ethics Commission pursuant to CGS § 1-81b shall be incorporated by reference into and made a part of the Assistance Agreement.

16. Whistleblower Protection Law: If the Financial Assistance is equal to or greater than \$5,000,000, the Assistance Agreement shall provide as follows: If an officer, employee or appointing authority of the Sponsor takes or threatens to take any personnel action against any employee of the Sponsor in retaliation for such employee's disclosure of information to any employee of the Agency, the Auditors of Public Accounts or the Attorney General under the provisions of CGS § 4-61dd(a), the Sponsor shall be liable for a civil penalty of not more than five thousand dollars (\$5,000) for each offense, up to a maximum of twenty percent (20%) of the value of the Assistance Agreement. Each violation shall be a separate and distinct offense and in the case of a continuing violation, each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The State may request that the Attorney General bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. The Sponsor shall post a notice in a conspicuous place which is readily available for viewing by employees informing employees of the provisions of CGS § 4-61dd relating to large State contractors.

17. Disclosure of Records: If the Financial Assistance is equal to or greater than \$2,500,000 and for the performance of a governmental function, the Assistance Agreement shall provide as follows: This Agreement may be subject to the provisions of CGS § 1-218. In accordance with this statute, each contract in excess of two million five hundred thousand dollars (\$2,500,000) between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to Connecticut's Freedom of Information Act ("FOIA") and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of CGS §§ 1-205 and 1-206.

Attachment B

Insurance Provisions

The Sponsor shall procure and maintain for the duration of the Assistance Agreement, or as applicable, until the Project Completion Date, the following types of insurance, in amounts not less than the stated limits, against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work contemplated in the Assistance Agreement.

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operation, Independent Contractors, Product and Completed Operations and Contractual Liability. If a general aggregate is used, the general aggregate limit shall apply separately to the Assistance Agreement or the general aggregate limit shall be twice the occurrence limit.
2. Workers' Compensation and Employer's Liability: Statutory coverage in compliance with compensation laws of the State of Connecticut. Coverage shall include Employer's Liability with a minimum limit of \$100,000.00 each accident, \$500,000.00 Disease – Policy limit, \$100,000.00 each employee.
3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury. Coverage extends to owned, hired and non-owned automobiles. If the vendor/contractor does not own an automobile, but one is used in the execution of the contract, then only hired and non-owned coverage is required. If a vehicle is not used in the execution of the contract, then automobile coverage is not required.
4. Directors and Officers Liability: \$1,000,000 per occurrence limit of liability; provided however, that Directors and Officers Liability insurance shall not be required for limited liability companies or limited partnerships.
5. Comprehensive Crime Insurance: \$100,000.00 limit for each of the following coverages: Employee Dishonesty (Form O), Forgery/Alteration (Form B), Theft Disappearance and Destruction (Form C), Robbery/Safe burglary (Form D).
6. Builders Risk: (only until the Project Completion Date) With respect to any work involving the construction of real property during the construction Project, the Sponsor shall maintain Builder's Risk insurance providing coverage for the entire work on the Property. Coverage shall be on a Completed Value form basis in an amount equal to the projected value of the Project. The Sponsor shall endorse the State of Connecticut as Loss Payee.
7. Property Insurance: (Post Construction). The Sponsor shall maintain insurance covering all risks of direct physical loss, damage or destruction to real and personal property and improvements and betterments (including flood insurance if within a duly designated Flood Hazard Area as shown on Flood Insurance Rate Maps (FIRM))

which are approved by the Federal Emergency Management Agency (FEMA) or its successors at 100% of Replacement Value for such real and personal property improvements and betterments or the maximum amount available under the National Flood Insurance Program. The State of Connecticut shall be listed as a loss payee.

(b) Additional Insurance Provisions.

1. The State of Connecticut Department of Housing, its officials and employees shall be named as an Additional Insured on the Commercial General Liability policy: Additional Insured status is not required for items (a) 2 through (a) 7 above.

2. Described insurance shall be primary coverage and the Sponsor and the Sponsor's insurer shall have no right of subrogation recovery or subrogation against the State of Connecticut.

3. The Sponsor shall assume any and all deductibles in the described insurance policies.

4. Without limiting the Sponsor's obligation to procure and maintain insurance for the duration identified in (a) above, each insurance policy shall not be suspended, voided, cancelled or reduced except after thirty (30) days prior written notice by certified mail has been given to the State of Connecticut with the exception that a ten (10) day prior written notice by certified mail return receipt requested for nonpayment of premium is acceptable.

5. Each policy shall be issued by an insurance company licensed to do business by the Connecticut Department of Insurance and having a Best Rating of A-, VII, or equivalent or as otherwise approved by the Agency.

Project Name: Hill-to-Downtown: 49 Prince Street
Project Number: HT1909301

Attachment C

SEEC Form 10 Follows on Next Page

Insert Form

SEEC FORM 10

CONNECTICUT STATE ELECTIONS ENFORCEMENT COMMISSION

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**Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations*****Acknowledgement of Receipt of Explanation of Prohibitions for Incorporation in Contracting and Bidding Documents***

This notice is provided under the authority of Connecticut General Statutes § 9-612 (f) (2) and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on the reverse side of this page).

CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder, of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of state senator or state representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's employees or from a *subcontractor or principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

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CONNECTICUT STATE ELECTIONS ENFORCEMENT COMMISSION

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DEFINITIONS

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective state contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax return of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fundraising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee, serving on the committee that is hosting a fundraising event, introducing the candidate or making other public remarks at a fundraising event, being honored or otherwise recognized at a fundraising event, or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. "Solicit" does not include (i) making a contribution that is otherwise permitted under this chapter, (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office, (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this subdivision, or (v) mere attendance at a fundraiser.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty-first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

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CONNECTICUT STATE ELECTIONS ENFORCEMENT COMMISSION

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ACKNOWLEDGEMENT OF RECEIPT

SIGNATURE

DATE (mm/dd/yyyy)

NAME OF SIGNER

First Name

MI

Last Name

Suffix

TITLE

COMPANY NAME

Additional information may be found on the website of the State Elections Enforcement Commission,
www.ct.gov/seec

Click on the link to "Lobbyist/Contractor Limitations"

ATTACHMENT D

DOH CLOSING CHECKLIST REGARDING FINANCIAL ASSISTANCE EXTENDED BY THE STATE OF CONNECTICUT ACTING BY ITS DEPARTMENT OF HOUSING (DOH)

DOH PROJECT NAME: Hill-to-Downtown: 49 Prince Street
DOH PROJECT NUMBER: HT 1909301
PROJECT ADDRESS: 49 Prince Street, New Haven, CT 06519

RECIPIENT: RMS Downtown South- Hill North Development Company, LLC
RECIPIENT CONTACT PERSON: Randy Salvatore
RECIPIENT'S CONSULTANT: Housing Development Team, LLC
RECIPIENT LEGAL:
GENERAL CONTRACTOR: RMS Construction, Inc.
ARCHITECT: Kenneth Boroson Architects
PROPERTY MANAGEMENT COMPANY:

DOH PROJECT MANAGER: Jennifer Ponte
DOH LEGAL:
AMOUNT OF FUNDING: \$2,751,000
FORM OF FINANCIAL ASSISTANCE: Loan
SOURCE OF FUNDING: Housing Trust Fund

	Item	Responsible For Delivery	Responsible To Approve	Approved/ Not Applicable	Comments
1.	Application	RECIPIENT	DOH PROJECT MANAGER		
2.	Commissioner's Term Sheet	RECIPIENT	DOH PROJECT MANAGER		
3.	<u>Political Contribution Restriction Certifications (SEEC 10)</u>	RECIPIENT	DOH PROJECT MANAGER		
4.	Development Team Debarred/Suspended List Verification	DOH PROJECT MANAGER	DOH PROJECT MANAGER		
5.	Architect's Letter re: Availability of Utilities (street access, sewer, gas, water, electric)	RECIPIENT	DOH PROJECT MANAGER		ConApp Exhibit # - executed
6.	Letter of Agreement for utility incentive and Purchase Power Agreement	RECIPIENT	DOH PROJECT MANAGER		

	Item	Responsible For Delivery	Responsible To Approve	Approved/ Not Applicable	Comments
7.	<u>Architect's Contract:</u> A – Architect's E&O and Liability Insurance Verification B – Architect's License C – <u>Architect's Certification</u>	RECIPIENT	DOH PROJECT MANAGER/DOH TECH SERVICES		C: Form available on DOH website <i>Review of Architect Contract only if DOH funding Architect fees</i>
	<u>FINANCING DOCUMENTS</u>	*****	*****	*****	*****
8.	Assistance Agreement	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
9.	Escrow Agreement	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		<i>Needed for AG transactions only</i>
10.	Declaration of Land Use Restrictive Covenant	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		<i>To be recorded on land records</i>
11.	Mortgage Deed	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		<i>To be recorded on land records</i>
12.	Mortgage Note	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
13.	Collateral Assignment of Leases and Rentals	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		<i>To be recorded on land records</i>
14.	Collateral Assignment of Construction Contract(s)	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
15.	Collateral Assignment of Permits and Approvals	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
16.	UCC-1 Financing Statement – Fixture Filing	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		<i>To be recorded on land records & Connecticut Secretary of State</i>
17.	Environmental Certificate and Indemnity Agreement	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
18.	Certificate of Applicant	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
19.	Affidavit of Commercial Transaction	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
20.	Subordination Agreement (if applicable)	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL		<i>To be recorded on land records</i>
21.	Development Expenditures Account Agreement	DOH LEGAL	DOH LEGAL/ RECIPIENT LEGAL	N/A	<i>Applicable only to HOME funds transactions</i>

	Item	Responsible For Delivery	Responsible To Approve	Approved/ Not Applicable	Comments
22.	Passthrough Agreement and Related Documents	RECIPIENT	DOH PROJECT MANAGER	N/A	If applicable
	<u>RECIPIENT'S ORGANIZATIONAL DOCUMENTS</u> Entity Name: []	*****	*****	*****	*****
23.	Certificate of Limited Partnership/Articles of Organization/Certificate of Incorporation	RECIPIENT LEGAL	DOH LEGAL		
24.	Limited Partnership Agreement/Operating Agreement/Bylaws	RECIPIENT LEGAL	DOH LEGAL/ RECIPIENT LEGAL		
25.	Certificate of Legal Existence	RECIPIENT LEGAL	DOH LEGAL		
	<u>RECIPIENT'S GENERAL PARTNER/MANAGER/ MANAGING MEMBER ORGANIZATIONAL DOCUMENTS</u> Entity Name: []	*****	*****	*****	*****
26.	Articles of Organization/Certificate of Incorporation	RECIPIENT LEGAL	DOH LEGAL		
27.	Operating Agreement/Bylaws	RECIPIENT LEGAL	DOH LEGAL		
28.	Certificate of Legal Existence	RECIPIENT LEGAL	DOH LEGAL		
	<u>RECIPIENT ORGANIZATIONAL AUTHORITY</u>				
29.	Authorizing/Borrowing Resolution for Signatory	RECIPIENT LEGAL	DOH LEGAL		
30.	Secretary's Certificate along with Incumbency Certificate re: Recipient & Recipient's general partner/manager/managing member	RECIPIENT LEGAL	DOH LEGAL		

	Item	Responsible For Delivery	Responsible To Approve	Approved/ Not Applicable	Comments
	<u>CONSTRUCTION DOCUMENTS</u>	*****	*****	*****	*****
31.	Construction Plans and Technical Specifications	RECIPIENT	DOH PROJECT MANAGER/DOH TECH SERVICES		
32.	<u>Construction Contracts:</u> A – <u>Notification to Bidders Form</u> B – <u>DOH Supplemental Conditions</u> C – Section 3 (H) D – MBE/WBE (H) E – HUD 4010 Labor Standards (H) F – <u>Davis Bacon Wage Rates (H)</u> G – State Labor Rates (Housing Authorities) H – Performance and Payment Bonds I – Labor and Material Bond / Builder's Risk / Property Insurance Rider for Materials J- Contractors Certification	RECIPIENT	DOH PROJECT MANAGER/DOH TECH SERVICES		A, B & E: Form available on DOH website (H)=applicable only to HOME funds transactions
33.	<u>Copy of Transmittal Letter of Contractor's Affirmative Action Plan to CHRO</u>	RECIPIENT	DOH PROJECT MANAGER/DOH TECH SERVICES		Form available on DOH website ConApp Exhibit 9.2
34.	A-2 Survey	RECIPIENT	DOH LEGAL/DOH TECH SERVICES		Certified to DOH within 6 months of closing
35.	Zoning Compliance and Special Conditions	RECIPIENT	DOH TECH SERVICES		ConApp Exhibit 4.7
36.	Site Plan Approval	RECIPIENT	DOH TECH SERVICES		ConApp Exhibit 4.7
37.	Construction Permits	RECIPIENT	DOH TECH SERVICES		
38.	Environmental Site Assessments (Phase 2, 3, RAP)	RECIPIENT	DOH PROJECT MANAGER/DOH TECH SERVICES		
39.	CEPA Review and Approval (if applicable)	DOH PROJECT MANAGER	DOH PROJECT MANAGER/DOH TECH SERVICES	N/A	
40.	NEPA Release of Funds	RECIPIENT/ DOH PROJECT MANAGER	DOH PROJECT MANAGER	N/A	DOH Federal funds only
41.	Tenant Lead Paint Notifications (if applicable)	RECIPIENT	DOH PROJECT MANAGER		
42.	Evidence of Insurance	RECIPIENT	DOH PROJECT MANAGER		See Insurance Requirements attached to Assistance Agreement
43.	Flood Management Certification approval/-Flood Zone Certification	RECIPIENT	DOH PROJECT MANAGER/DOH TECH SERVICES		

	Item	Responsible For Delivery	Responsible To Approve	Approved/ Not Applicable	Comments
44.	Tax Clearance Letters: A – DRS/Corporate Business/Sales & Use Tax B – Department of Labor	RECIPIENT	DOH LEGAL		
45.	IRS 501(c)(3) Determination Letter	RECIPIENT	DOH PROJECT MANAGER		
46.	Affirmative Marketing Plan, Tenant Selection Plan and Sample Lease	RECIPIENT	DOH PROJECT MANAGER		
47.	Executed Development Budget	RECIPIENT	DOH PROJECT MANAGER		<i>ConApp Exhibit 6.3</i>
48.	Executed Detailed Income and Expenses Form	RECIPIENT	DOH PROJECT MANAGER		<i>ConApp Exhibit 6.2.A</i>
49.	Site Information and Dates	RECIPIENT	DOH PROJECT MANAGER		<i>ConApp Application tab 4.6.b</i>
50.	Property Appraisal	RECIPIENT	DOH PROJECT MANAGER	N/A	
51.	Evidence of Payment of Real Estate Taxes	RECIPIENT	DOH LEGAL		
52.	List of HOME-Assisted Units	RECIPIENT	DOH PROJECT MANAGER	N/A	<i>Applicable only to HOME funds</i>
53.	Non-Displacement and Relocation Assistance Plan	RECIPIENT	DOH PROJECT MANAGER		<i>ConApp Certification tab- executed</i>
54.	Project Sign Specifications	RECIPIENT	DOH TECH SERVICES		<i>Form available on DOH website. Utilize CHFA/DOH Project Sign template for joint deals. DOH will accept CHFA Tech Services approval on joint legal deals</i>
	<u>RECIPIENT'S COUNSEL'S DOCUMENTS</u>	*****	*****	*****	*****
55.	Legal Opinion Letter of Recipient's Counsel	RECIPIENT LEGAL	DOH LEGAL		
56.	UCC Lien Search	RECIPIENT LEGAL	DOH LEGAL		
57.	Title Insurance Proforma	RECIPIENT LEGAL	DOH LEGAL		<i>Deliver Final Original Title Policy at closing</i> <i>Required Endorsements: Access, Same As Survey, Zoning, Gap, Separate Tax Lot, Usury, ALTA 9/Comprehensive, Usury, Construction, Future Advances, Waiver of Arbitration, Condominium</i>
58.	Copies of Title Policy Schedule B Items	RECIPIENT LEGAL	DOH LEGAL		

	Item	Responsible For Delivery	Responsible To Approve	Approved/ Not Applicable	Comments
	<u>MISCELLANEOUS TRANSACTION DOCUMENTS TO BE FURNISHED BY RECIPIENT POST-CLOSING</u>	*****	*****	*****	*****
59.	<u>Project Completion Report</u>	RECIPIENT	DOH PROJECT MANAGER		Form available on DOH website
60.	<u>Annual Rental Project Certification Report and</u>	RECIPIENT	DOH PROJECT MANAGER		Form available on DOH website
61.	<u>Tenant Demographic Report</u>	RECIPIENT	DOH PROJECT MANAGER		Form available on DOH website
62.	Semi-Annual Project Financing Statements	RECIPIENT	DOH PROJECT MANAGER		If requested by DOH
63.	<u>Establishment of Accounts:</u> <u>A – ACH account set-up</u> <u>B – Operating Reserve Account</u>	RECIPIENT	DOH PROJECT MANAGER		Forms available on DOH website
64.	<u>Quarterly Reports (through Construction Period)</u>	RECIPIENT	DOH PROJECT MANAGER		Form available on DOH website
65.	<u>Payment/Expense Verification Form</u>	RECIPIENT	DOH PROJECT MANAGER		Form available on DOH website
	<u>MISCELLANEOUS</u>	*****	*****	*****	*****
	Project Specific Requirements to be determined by DOH				

DEPARTMENT OF HOUSING
STATE OF CONNECTICUT
(AN EQUAL OPPORTUNITY EMPLOYER)
CERTIFIED RESOLUTION OF THE GOVERNING BODY

I, Randall Salvatore Manager, certify that below is a true and correct copy of a
(Name of Official) (Title of Official)

resolution duly adopted by RMS Downtown South-Hill North Development Company, LLC
(Name of the Applicant)

at a meeting of its Members
(Governing Body)

duly convened on 4/4/19 and which has not been rescinded or modified in
(Meeting Date)

any way whatsoever and is at present in full force and effect.

4/4/19
(Date)

[Signature]
(Signature and Title of Official)

SEAL

WHEREAS, pursuant to Housing Trust Fund CGS 8-336p
(State Statutory Reference)

the Connecticut Department of Housing is authorized to extend financial assistance for housing development projects; and **WHEREAS**, it is desirable and in the public interest

that the RMS Downtown South-Hill North Development Company, LLC make an application to the State for
(Applicant)

\$ 2,751,000 in order to undertake the Hill-to-Downtown: 49 Prince Street
(Name and Phase of Project)

and to execute an Assistance Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE

Members
(Governing Body)

1. That it is cognizant of the conditions and prerequisites for the state financial assistance imposed by
Housing Trust Fund CGS 8-336p
(State Statutory Reference)

2. That the filing of an application for State financial assistance by
RMS Downtown South-Hill North Development Company, LLC
(Applicant)

in an amount not to exceed \$ 2,751,000 is hereby approved and that

Randall Salvatore, Manager

(Title and Name of Authorized Official)

is directed to execute and file such application with the Connecticut Department of Housing, to provide such additional information, to execute such other documents as may be required, to execute an Assistance Agreement with the State of Connecticut for State financial assistance if such an agreement is offered, to execute any amendments, decisions, and revisions thereto, and to act as the authorized representative of

RMS Downtown South- Hill North Development Company, LLC

(Name of Applicant)



Arthur F. Casavant

*First Vice President, Community Development & CRA Officer
Legal Department*

T: 203.338.5524 C: 203.241.5006 F: 203.338.3665
E: art.casavant@peoples.com

August 5, 2019

Randall Salvatore
Dba/RMS Downtown South-hill North Company LLC
Stamford, Connecticut

Re: Hill to Downtown: 49 Prince Street New Haven, CT

Dear Randy:

People's United Bank (PUB) is pleased to provide this letter of interest with respect to the proposed project located at 49 Prince Street in New Haven, CT. In its capacity as a potential investor in a limited partnership to be formed in support of the proposed rehabilitation of the school building, People's United Bank has reviewed the proposed CHFA DOH consolidated application dated October 9, 2018. Our interest in purchasing low-income housing tax credits is based on review of that application and discussions with the applicant including an updated model dated July 8, 2019. It is our expectation that this letter of interest will be used by the applicant in furtherance of this project, and specifically as a support for a DOH funding application under the CHAMP program.

Based on the proposed application and the summary data provided by the applicant, PUB has reviewed the project scope, financing structure, suggested terms and conditions and discussed with the applicant a direct purchase of 4% low-income housing tax credits that are a primary source of capital for the project. PUB understands that the building will result in 30 units of affordable housing subject to LIHTC income restrictions and that the primary sources of capital will be state tax-exempt bond proceeds during construction, and a combination of CHAMP, CDBG, developer capital in the form of a loan and direct injection of funding and the proceeds of the low-income housing tax credits in permanent stage.

PUB has not completed a full underwriting of this project, and any actual commitment letter is subject to full underwriting, approval of all sources and uses as described in the CHFA DOH consolidated application, satisfactory negotiation of construction contracts and financing documents including a limited partnership agreement, environmental review and site approvals and permits.

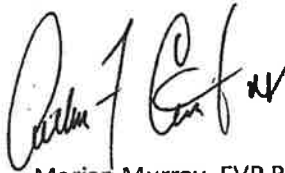
Based on our review, PUB will consider a direct purchase of 4% low-income housing tax credits at a price per credit of \$0.92 per credit, with total proceeds from the tax credits to be \$2,683,548. Reserves totaling \$310,114 will be required for replacement reserve, operating deficit and lease up, and the developer will need to provide a completion guarantee which will be released upon successful certification by an independent architect that the project has been completed and has operated as planned for a period on one year post-completion. Both the operating deficit and lease up guarantees

can be gradually released as the project completes lease up and stabilization pursuant to negotiation in the limited partnership agreement.

The pay-in schedule for low-income tax credit proceeds will be based on the expectation that 10% of proceeds will be delivered at initial closing of project and 90% will be delivered at project completion or on a schedule to be negotiated. It is further anticipated that some proceeds from the LIHTC transaction will be used to repay the tax-exempt bonds used in construction process and to fund reserves. A cash flow waterfall and final model will be determined prior to final approval of any investment. PUB will consider this LIHTC purchase at a CRA-related Investment committee meeting when other sources and uses have been confirmed.

In my capacity as the Community Development and Community Reinvestment officer of People's United Bank, we are pleased to support this initiative which will provide much needed affordable housing and revitalize a community located in our CRA assessment area. Investments in projects such as this proposed school conversion provide support for our communities in many ways, and we hope that the proposed structure is approved by CHFA and DOH, as well as the City of New Haven.

Sincerely yours,



Handwritten signature of Marjan Murray
EVP CRA Officer
People's United Bank N.H.

Cc: Marjan Murray, EVP Real Estate Division

F:/h:RMA_prince_street_new haven