



Tanya D. Lane
Town Manager

TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

Craig Minor, AICP
Town Planner

December 2, 2019

Commissioner Seila Mosquero–Bruno
Department of Housing
550 Hudson Street
Hartford, CT 06016-7106

Dear Commissioner Mosquero-Bruno:

Re: Application for Certificate of Affordable Housing Project Completion

The Town of Newington respectfully submits this application for a Certificate of Affordable Housing Project Completion in accordance with the procedures outlined in Sec. 8-30g(1)(4)(B) of the Connecticut General Statutes. The required documentation is enclosed.

In addition to having the required number of HUE points, we feel that the Town of Newington warrants relief from the Affordable Housing Appeals process for the following reasons:

1. At its meeting on October 23, 2019 the Town Plan and Zoning Commission approved a zone change and a special permit for a new affordable housing development that will add 97 affordable rental units to Newington's supply of affordable housing. Upon completion of that development, Newington will be only 88 dwelling units short of the 1,301 affordable units needed to meet the mandated 10%.
2. Town of Newington has allocated funds in the FY 2019-2020 municipal budget to retain a consultant to assist the Town with preparing an "Affordable Housing Plan" in accordance with Section 8-30j. Upon its completion, Newington will be among only a handful of Connecticut municipalities to have such a Plan.

The following documents are hereby submitted in support of this application:

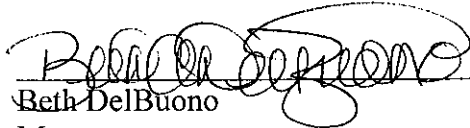
1. Resolution of the Town Council dated September 10, 2019.
2. Letter from the Town Attorney stating it is his opinion that this application complies with Section 8-30g of the Connecticut General Statutes.
3. Summary of Unit Count and HUE points.
4. Documentation of the existence of the required housing-unit equivalent points, with location, size of apartment, and tenant AMI.

Phone: (860) 665-8575 Fax: (860) 665-8577
townplanner@newingtonct.gov
www.newingtonct.gov

5. Summary description of all housing units for which HUE points are sought.
6. Certification from the Town Planner that he has identified and deducted any HUE points for dwelling units which no longer qualify under this application.
7. Certification from the Building Official that a Certificate of Occupancy has been issued for all dwelling units for which HUE points are claimed.
8. Copies of the restrictive covenants or other legal documentation pertaining to the dwelling units for which HUE points are claimed in this application.

If you need any additional information please contact me at 860-665-8510 or Town Planner Craig Minor, AICP at 860-665-8575 or by email at cminor@newingtonct.gov.

Thank you, and we look forward to hearing from you.

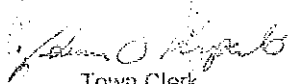

Beth DelBuono
Mayor

cc:
file

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NEWINGTON, CT

2019 SEP 12 PM 2:05


Town Clerk

AGENDA ITEM: VI.E

DATE: 9/10/2019

RESOLUTION NO 2019-98

RESOLVED:

That the Newington Town Council hereby authorizes Craig Minor, Town Planner to submit an application for an "Affordable Housing Moratorium" in accordance with Section 8-30g-6 of the *Regulations of Connecticut State Agencies, Title 8. Zoning, Planning, Housing, Economic and Community Development and Human Resources.*

MOTION BY: Councilor Budrejko

SECONDED BY: Councilor Manke

VOTE: 9-0



Tanya D. Lane
Town Manager

TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

Craig Minor, AICP
Town Planner

October 4, 2019

Commissioner Seila Mosquera-Bruno
Department of Housing
550 Hudson Street
Hartford, CT 06016-7106

Dear Commissioner Mosquera-Bruno:

Re: Application for State Certificate of Affordable Housing Completion

Please be advised that, as Town Attorney for the Town of Newington, Connecticut, I have reviewed the Town of Newington's application for a State Certificate of Affordable Housing Completion in order to establish a three-year Affordable Housing Moratorium pursuant to Connecticut General Statute 8-30g(1) (4)(B).

It is my opinion that the Town of Newington has met the criteria for a moratorium.

Very truly yours,

Benjamin Ancona Jr.

Benjamin Ancona Jr.
Newington Town Attorney

Cc: Tanya Lane, Town Manager
File

Phone: (860) 665-8575 Fax: (860) 665-8577
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TOWN OF NEWINGTON
SUMMARY CALCULATION OF HOUSING UNIT-EQUIVALENT POINTS

Number of dwelling units in Newington according to the 2010 US Census:		13,011					
2% housing equivalent points needed for moratorium:		260.22					
Name of Development	Address	Deed Start Date	Deed Restriction	Deed Term	# of Units	Type of Units	Points
Griswold Hills	Buildings 7, 8, 9 Jacob's Lane. Buildings 1-6, 10 Griswold Hills Drive.	November 21, 1997	Vol. 1170 Pages 227-257	30 Years	64	rental.	154.75
Victory Gardens	Buildings 5, 15, 15H, 25, 35, 45, 55, 65, and 75 Victory Way.	October 10, 2012	Vol. 2102 Pages 593-598	30 years	74	rental	166
TOTAL HOUSING-EQUIVALENT POINTS:							320.75
261 points needed.							

GRISWOLD HILLS

DOCUMENTATION OF EXISTENCE OF H.U.E. POINTS

Unit #	Address	# BR's	AMI	Points
101	Building 1 Griswold Hills Drive	2	25	2.50
102	Building 1 Griswold Hills Drive	1	60	2.00
103	Building 1 Griswold Hills Drive	1	market	0.25
104	Building 1 Griswold Hills Drive	2	market	0.25
111	Building 1 Griswold Hills Drive	2	market	0.25
112	Building 1 Griswold Hills Drive	1	25	2.50
113	Building 1 Griswold Hills Drive	1	50	2.00
114	Building 1 Griswold Hills Drive	2	market	0.25
115	Building 1 Griswold Hills Drive	2	25	2.50
116	Building 1 Griswold Hills Drive	1	50	2.00
117	Building 1 Griswold Hills Drive	1	25	2.50
118	Building 1 Griswold Hills Drive	2	market	0.25
121	Building 1 Griswold Hills Drive	1	market	0.25
122	Building 1 Griswold Hills Drive	1	market	0.25
123	Building 1 Griswold Hills Drive	2	60	2.00
124	Building 1 Griswold Hills Drive	1	market	0.25
125	Building 1 Griswold Hills Drive	1	market	0.25
126	Building 1 Griswold Hills Drive	2	50	2.00
201	Building 2 Griswold Hills Drive	2	market	0.25
202	Building 2 Griswold Hills Drive	1	25	2.50
203	Building 2 Griswold Hills Drive	1	market	0.25
204	Building 2 Griswold Hills Drive	2	market	0.25
211	Building 2 Griswold Hills Drive	2	50	2.00
212	Building 2 Griswold Hills Drive	1	25	2.50
213	Building 2 Griswold Hills Drive	1	market	0.25
214	Building 2 Griswold Hills Drive	2	50	2.00
215	Building 2 Griswold Hills Drive	2	25	2.50
216	Building 2 Griswold Hills Drive	1	50	2.00
217	Building 2 Griswold Hills Drive	1	60	2.00
218	Building 2 Griswold Hills Drive	2	25	2.50
221	Building 2 Griswold Hills Drive	1	market	0.25
222	Building 2 Griswold Hills Drive	1	market	0.25
223	Building 2 Griswold Hills Drive	2	market	0.25
224	Building 2 Griswold Hills Drive	1	60	2.00
225	Building 2 Griswold Hills Drive	1	market	0.25
226	Building 2 Griswold Hills Drive	2	market	0.25
311	Building 3 Griswold Hills Drive	2	60	2.00
312	Building 3 Griswold Hills Drive	1	25	2.50
313	Building 3 Griswold Hills Drive	1	60	2.00
314	Building 3 Griswold Hills Drive	2	market	0.25
315	Building 3 Griswold Hills Drive	2	market	0.25
316	Building 3 Griswold Hills Drive	1	market	0.25
317	Building 3 Griswold Hills Drive	1	market	0.25
318	Building 3 Griswold Hills Drive	2	60	2.00
321	Building 3 Griswold Hills Drive	2	60	2.00
322	Building 3 Griswold Hills Drive	1	market	0.25
323	Building 3 Griswold Hills Drive	1	market	0.25

GRISWOLD HILLS

DOCUMENTATION OF EXISTENCE OF H.U.E. POINTS

324	Building 3 Griswold Hills Drive	2	market	0.25
325	Building 3 Griswold Hills Drive	2	market	0.25
326	Building 3 Griswold Hills Drive	1	60	2.00
327	Building 3 Griswold Hills Drive	1	60	2.00
328	Building 3 Griswold Hills Drive	2	60	2.00
411	Building 4 Griswold Hills Drive	2	60	2.00
412	Building 4 Griswold Hills Drive	2	60	2.00
413	Building 4 Griswold Hills Drive	2	60	2.00
414	Building 4 Griswold Hills Drive	2	market	0.25
415	Building 4 Griswold Hills Drive	2	25	2.50
416	Building 4 Griswold Hills Drive	2	60	2.00
417	Building 4 Griswold Hills Drive	2	market	0.25
418	Building 4 Griswold Hills Drive	2	market	0.25
422	Building 4 Griswold Hills Drive	2	60	2.00
423	Building 4 Griswold Hills Drive	2	market	0.25
424	Building 4 Griswold Hills Drive	2	market	0.25
425	Building 4 Griswold Hills Drive	2	market	0.25
425	Building 4 Griswold Hills Drive	2	market	0.25
426	Building 4 Griswold Hills Drive	2	60	2.00
427	Building 4 Griswold Hills Drive	2	market	0.25
428	Building 4 Griswold Hills Drive	2	50	2.00
511	Building 5 Griswold Hills Drive	3	60	2.25
512	Building 5 Griswold Hills Drive	3	market	0.25
513	Building 5 Griswold Hills Drive	3	market	0.25
514	Building 5 Griswold Hills Drive	3	60	2.25
521	Building 5 Griswold Hills Drive	2	60	2.00
522	Building 5 Griswold Hills Drive	3	market	0.25
523	Building 5 Griswold Hills Drive	3	market	0.25
524	Building 5 Griswold Hills Drive	3	50	2.25
601	Building 6 Griswold Hills Drive	2	market	0.25
602	Building 6 Griswold Hills Drive	2	50	2.00
603	Building 6 Griswold Hills Drive	2	60	2.00
604	Building 6 Griswold Hills Drive	2	60	2.00
611	Building 6 Griswold Hills Drive	2	market	0.25
612	Building 6 Griswold Hills Drive	2	25	2.50
613	Building 6 Griswold Hills Drive	2	market	0.25
614	Building 6 Griswold Hills Drive	2	25	2.50
615	Building 6 Griswold Hills Drive	2	market	0.25
616	Building 6 Griswold Hills Drive	2	50	2.00
617	Building 6 Griswold Hills Drive	2	market	0.25
618	Building 6 Griswold Hills Drive	2	market	0.25
621	Building 6 Griswold Hills Drive	2	50	2.00
622	Building 6 Griswold Hills Drive	2	market	0.25
623	Building 6 Griswold Hills Drive	2	market	0.25
624	Building 6 Griswold Hills Drive	2	market	0.25
625	Building 6 Griswold Hills Drive	2	market	0.25
626	Building 6 Griswold Hills Drive	2	60	2.00

VICTORY GARDENS
DOCUMENTATION OF EXISTENCE OF H.U.E. POINTS

Unit #	Address	# BR's	AMI	Points
1A	75 Victory Way	1	50%	2.00
1B	75 Victory Way	1	50%	2.00
1C	75 Victory Way	1	50%	2.00
1D	75 Victory Way	1	25%	2.50
1E	75 Victory Way	1	25%	2.50
1F	75 Victory Way	1	25%	2.50
1G	75 Victory Way	1	25%	2.50
1H	75 Victory Way	1	25%	2.50
2A	75 Victory Way	1	25%	2.50
2B	75 Victory Way	1	25%	2.50
2C	75 Victory Way	1	50%	2.00
2D	75 Victory Way	1	25%	2.50
2E	75 Victory Way	1	50%	2.00
2F	75 Victory Way	1	50%	2.00
2G	75 Victory Way	1	25%	2.50
2H	75 Victory Way	1	25%	2.50
3A	75 Victory Way	1	25%	2.50
3B	75 Victory Way	1	25%	2.50
3C	75 Victory Way	1	25%	2.50
3D	75 Victory Way	1	25%	2.50
3E	75 Victory Way	1	25%	2.50
3F	75 Victory Way	1	25%	2.50
3G	75 Victory Way	1	50%	2.00
3H	75 Victory Way	1	50%	2.00
5A	5 Victory Way	3	25%	2.75
5B	5 Victory Way	1	60%	2.00
5C	5 Victory Way	1	25%	2.50
5D	5 Victory Way	1	50%	2.00
5E	5 Victory Way	1	50%	2.00
5F	5 Victory Way	2	50%	2.00
5G	5 Victory Way	2	25%	2.50
5H	5 Victory Way	3	60%	2.25
15A	15 Victory Way	3	25%	2.75
15B	15 Victory Way	3	60%	2.25
15C	15 Victory Way	1	25%	2.50
15D	15 Victory Way	1	25%	2.50
15E	15 Victory Way	1	50%	2.00
15F	15 Victory Way	1	50%	2.00
15G	15 Victory Way	3	50%	2.25
15H	15 Victory Way	3	25%	2.75
25A	25 Victory Way	2	25%	2.50
25B	25 Victory Way	2	60%	2.00
25C	25 Victory Way	2	50%	2.00
25D	25 Victory Way	2	50%	2.00
25E	25 Victory Way	2	50%	2.00

SUMMARY CALCULATION OF ALL H.U.E HOUSING UNITS

<u>Project Name</u>	<u>Property Owner/Developer</u>	<u>Address</u>	<u>Vol/Page of Deed Restriction</u>	<u>Year Occupied</u>	<u>Market Rate Units</u>	<u>Affordable Units</u>	<u>Unit Type</u>	<u>Income Restriction</u>	<u>HUE Points Per Unit</u>	<u>Points</u>
Griswold Hills	Griswold Hills of Newington LP	Griswold Hills Drive and Jacob's Lane	1170/227	2000		16	Family 1-2	25%	2.50	40.00
Griswold Hills		"				13	Family 1-2	50%	2.00	26.00
Griswold Hills		"				24	Family 1-2	60%	2.00	48.00
Griswold Hills		"				3	Family 3	50%	2.25	6.75
Griswold Hills		"				8	Family 3	60%	2.25	18.00
Griswold Hills		"			G4			none	0.25	16.00
								total:		154.75

<u>Project Name</u>	<u>Property Owner/Developer</u>	<u>Address</u>	<u>Vol/Page of Deed Restriction</u>	<u>Year Occupied</u>	<u>Market Rate Units</u>	<u>Affordable Units</u>	<u>Unit Type</u>	<u>Income Restriction</u>	<u>HUE Points Per Unit</u>	<u>Points</u>
Victory Gardens	Victory Gardens Housing LLC	Victory Way	2101/593	2013		27	Family 1-2	25%	2.50	67.50
Victory Gardens		"				24	Family 1-2	50%	2.00	48.00
Victory Gardens		"				11	Family 1-2	60%	2.00	22.00
Victory Gardens		"				3	Family 3	25%	2.75	8.25
Victory Gardens		"				3	Family 3	50%	2.25	6.75
Victory Gardens		"				6	Family 3	60%	2.25	13.50
Victory Gardens		"			0			none	0.25	0.00
								total:		166.00

Total Points:	320.75
Points Needed:	261.00

Housing Unit-Equivalent Points	
Type of Unit Point Value Per Unit	
Market-rate units in a set-aside development:	0.25
Family units, rented, that are 80% of median income:	1.50
restricted to households with 60% of median income:	2.00
annual income no more than: 40% of median income:	2.50
Bonus Housing Unit-Equivalent Points	
Family units, owned or rented containing three or more bedrooms:	0.25



Tanya D. Lane
Town Manager

TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

Craig Minor, AICP
Town Planner

October 3, 2019

Commissioner Siela Mosquero-Bruno
Department of Housing
550 Hudson Street
Hartford, CT 06016-7106

Dear Commissioner Mosquera-Bruno:

Re: Application for State Certificate of Affordable Housing Completion

This is to certify that I, Craig Minor, Town Planner for the Town of Newington, hereby certify that to the best of my knowledge that the Town of Newington has identified and deducted, or otherwise excluded from the total housing unit-equivalent points claimed, all units that as a result of action by the municipality, municipal housing authority, or municipal agency, no longer qualify, as of the date of submission of the application, as providing housing unit-equivalent points, without regard to whether the units were originally constructed before or after July 1, 1990.

Very truly yours,

Craig Minor, AICP
Town Planner

cc:
Tanya Lane, Town Manager
file

Encl. 6

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www.newingtonct.gov



Tanya D. Lane
Town Manager

TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

Craig Minor, AICP
Town Planner

September 17, 2019

CERTIFICATION

To Whom It May Concern:

I, Douglas Jourdan, Building Official for the Town of Newington, hereby certify that to the best of my knowledge a valid Certificate of Occupancy has been issued and is currently in effect for each dwelling unit at Griswold Hills listed on Enclosure 4A, and each dwelling unit at Victory Gardens listed on Enclosure 4B.

Douglas Jourdan

Building Official

cc:
file

Phone: (860) 665-8575 Fax: (860) 665-8577
townplanner@newingtonct.gov
www.newingtonct.gov

Encl. 7



Tanya D. Lane
Town Manager

TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

Craig Minor, AICP
Town Planner

Copies of the Restrictive Covenants or other documentation for the housing projects that contain the dwelling units for which HUE points are claimed in this application.

Enclosure 8

Phone: (860) 665-8575 Fax: (860) 665-8577
townplanner@newingtonct.gov
www.newingtonct.gov

COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT

05539

This Agreement made and entered into as of the 17th day of November 1997 by and between GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of the State of Connecticut with an office and principal place of business at 942 Main Street, Suite 300, Hartford, Connecticut 06103 (the "Mortgagor" or "Declarant") and the CONNECTICUT HOUSING FINANCE AUTHORITY, a body politic and corporate constituting a public instrumentality and political subdivision of the State, having its office and principal place of business in the Town of Rocky Hill, County of Hartford and State of Connecticut (the "Authority"),

WITNESSETH:

WHEREAS, the 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 Authority for a first mortgage loan in the amount of NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000 00) DOLLARS (the "Mortgage Loan") to aid the Mortgagor in financing the construction of a multifamily rental housing development known as GRISWOLD HILLS for persons of low and moderate income, pursuant to the provisions of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended, ("Statutes") and of the Internal Revenue Code of 1986 as amended (the "Code") and Regulations promulgated thereunder, as amended (the "1986 Regulations"), under Section 103(b)(4)(A) of the Internal Revenue Code of 1954 (repealed), to the extent such regulations do not conflict with the Code (the 1954 Regulations, and together with the 1986 Regulations, the "Regulations"), identified as Authority Development No. 96-008M (the "Development"), and

WHEREAS, the Authority is unwilling to make the Mortgage Loan unless the Mortgagor agrees to 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 Mortgage Loan and receiving continuing benefits under the Statutes, the Code and the Regulations; and

WHEREAS, the Authority as a condition of its willingness to make said Mortgage Loan requires that the Mortgagor shall, by entering into the terms, conditions and covenants set forth below, consent thereby to be regulated and restricted by the Authority as herein provided and as provided by the Statutes, the Code and the Regulations, and any rules, regulations, policies, and procedures of the Authority promulgated thereunder, now in effect or in effect in the future.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the parties hereto hereby agree as follows:

1 PROPERTY

This Agreement affects the Property which is described on Exhibit A.

2 DEFINITIONS

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

- a "Actual Cash Equity" means Mortgagor's cash equity in the Development, as verified by independent cost certification acceptable to the Authority, performed by an entity approved by the Authority;

see Vol 1295 Pg 226

- b. "Agreement" means this Covenant of Compliance and Regulatory Agreement by and between Mortgagor and the Authority concerning the Development;
- c. "Commitment Letter" means the Mortgage Loan commitment letter executed by and between the Mortgagor and the Authority, dated September 10, 1997, as amended;
- d. "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, as defined in Section 42(l) (i) (1) of the Code;
- e. "Construction Contract" means the general construction contract dated [CONTRACT DATE] between Mortgagor and Enterprise Builders, Inc., 507 Hopmeadow Street, Simsbury, Connecticut, relating to the Development,
- f. "Declaration" means the Declaration and Agreement of Restrictive Covenants between Mortgagor and the Authority of even date herewith;
- g. "Default" means a default declared by the Authority in a written notice to the Mortgagor when a violation of this Agreement or the Mortgage Loan Documents (as hereinafter defined) is not corrected to the Authority's satisfaction after written notice and within the time allowed by this Agreement and/or the Mortgage Loan Documents or such further time as may be allowed by the Authority;
- h. "Development" shall consist of the facilities described in the drawings, plans and specifications submitted to the Authority and in the presentation to and resolution of the Board of Directors of the Authority on July 30, 1997, and located on the Property;
- i. "Development Operations Account" means the account established pursuant to Paragraph 6 of this Agreement into which all Gross Revenues (as hereinafter defined) are deposited;
- j. "Distribution" means any withdrawal or taking of cash or any assets of the Mortgagor, including the segregation of cash or assets for subsequent withdrawal within the limitations of Paragraph 8 hereof, and excluding payments for Operating Expenses and for deposits to the Reserve for Replacements (as hereinafter defined),
- k. "Extended Use Period" as defined in Section 42 (h) (6) (D) of the Code 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 (I) the date specified by the Authority in this Agreement or (II) the date which is fifteen (15) years after the close of the Compliance Period;
- l. "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,
- m. "Gross Revenues" means, with respect to a particular period of time, all amounts received by the Mortgagor during such period from rents and revenues or any other source in connection with and arising out of the operation of the Development,
- n. "Mortgage Loan" means the interest bearing obligation evidenced by a promissory note of even date herewith from Mortgagor to the Authority (the

"Authority Note") and secured by a mortgage deed (the "Authority Mortgage") which shall constitute a first lien on the Development;

- o "Mortgage Loan Documents" means the Authority Note, the Authority Mortgage, Security Agreement, Declaration and Agreement of Restrictive Covenants, Collateral Assignment of Leases and Rentals, Building Loan Agreement and this Agreement, all of even date herewith, along with the Commitment Letter, and other documents executed by Mortgagor in connection with the Mortgage Loan,
- p "Operating Expense" means any expense(s) incurred by the Mortgagor which are reasonable and necessary for the sound operation and maintenance of the Development, including but not limited to, payments required under the Mortgage Loan, real estate taxes, payments in lieu of taxes, insurance premiums, utilities, fuel, management fees, repairs and other maintenance, trash and snow removal, and any other similar expense required by or contemplated under the terms of this Agreement;
- q "Qualified Persons" means individuals and families whose annual income is SIXTY (60%) PERCENT or less of area median gross income within the meaning of the Statutes, the Code and the Regulations;
- r "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 Statutes, the Code and the Regulations;
- s. "Qualified Unit" means a residential unit occupied, or available for occupancy by, a Qualified Person(s) at the Qualified Rent;
- t "Reserve for Replacements" or "Reserve Fund" means the account established by the Mortgagor pursuant to Paragraph 7(d) of this Agreement;
- u. "State" means the State of Connecticut;
- v. "Surplus Cash" means any cash remaining at the close of a Fiscal Year after:
 - (1) The payment of:
 - (a) All sums due or currently required to be paid under the terms of any mortgage or Authority Note executed by Mortgagor insured or held by the Authority;
 - (b) All amounts required to be deposited in the Reserve for Replacements,
 - (c) All obligations of the Development other than the Mortgage Loan to the Authority (including those due and/or payable within 30 days after the end of a Fiscal Year, unless funds for payment are set aside or deferment of payments has been approved by the Authority), and
 - (2) The segregation and recording of
 - (a) An amount equal to the aggregate of all special funds required to be maintained by the Mortgagor; and
 - (b) The outstanding liability for tenant security deposits

3. USE OF THE DEVELOPMENT

The Declarant hereby covenants and represents to the Authority as follows:

- a. The Development - The Development shall consist of the facilities described in (i) the drawings, plans and specifications submitted to the Authority and described in the presentation to and resolution of the Board of Directors of the Authority on July 30, 1997, and (ii) located on the real estate described in Exhibit A attached hereto
- b. Components of Development - The Development will consist of a building or buildings or structure or several proximate and interrelated buildings or structures owned by the same person(s) for tax purposes, located on a single tract of land and financed under a common plan of finance, and facilities functionally related and subordinated thereto:
 - 1. each building or structure containing one or more similarly constructed 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
 - 2. all of the residential units of which will be rented or available on a non-transient basis for rental to members of the general public, will be suitable for residential occupancy, and will comply with all State and local health, safety and building codes.
- c. Construction Completion - The Declarant will proceed with due diligence to complete the Development.
- d. Change in Development - The Declarant will make no change in the nature, size (including number of residential units) or location of the Development from that which was described in the resolution adopted on July 30, 1997 by the Board of Directors of the Authority, as modified to date, without the prior written consent of the Authority.
- e. Continuous Rental Restriction - The Declarant will maintain all the units in the Development rented or available for rental on a continuous basis to members of the general public during the Compliance Period
- f. Low and Moderate Income Restriction
 - 1. During the Compliance Period and the Extended Use Period sixty-four (64) of the units in the Development must be Qualified Units.

Income and area median gross income shall be determined in a manner consistent with determinations of lower income families under Section 8 of the United States Housing Act of 1937, as amended

- 2. After initial occupancy 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 redetermined 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, met the applicable income limitations shall be treated as occupied by an individual or family meeting the applicable income limits during such individual's or family's tenancy in such unit, even though the individual or family income exceeds one hundred forty (140) percent of the applicable limit at the time of the most recent income Determination (as described in Paragraph 6

below), if after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income does not exceed the applicable income limit.

3 Qualified Rent does 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.

4 At least annually the Declarant 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 applicable income limit. Annually the Declarant shall certify compliance with the Low and Moderate Income Restriction (as defined below) to the Authority and to the U.S Secretary of the Treasury, if required (at such times and in such manner as the Secretary shall prescribe)

5 The Declarant agrees to furnish to the Authority, on at least an annual basis or on some other basis as determined by the Authority to be required by the Code and the Regulations, such information as the Authority shall require, including any compliance forms filed with the U.S. Secretary of the Treasury or required to be filed by the Authority, a Compliance Monitoring, Owner's Annual Certification form, attached hereto as Exhibit B, and to maintain on file Tenant Income Certifications, in the form attached hereto as Exhibit C or in such other form as may be approved by the Authority, in order to permit verification that the covenants set forth herein are being satisfied by the Declarant and to take such action as the Authority shall deem necessary to comply with the covenants herein or to correct or cure any failure of the Declarant to comply with the covenants herein. The Declarant shall use tenant lease forms acceptable to the Authority, 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 the Declarant to comply with the covenants herein. Such leases or certifications will 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 will comply with all requests for information with respect thereto from the Declarant or the Authority 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

The various terms, restrictions and conditions of this subparagraph collectively shall constitute the "Low and Moderate Income Restriction "

g Declarant understands and agrees that the Development is to be residential rental housing within the meaning of the Statutes, the Code and the Regulations, as amended, used for the benefit of those members of the general public of low and moderate income upon certain terms and conditions, and hereby covenants and represents to the Authority as follows

1. During the Compliance Period and the Extended Use Period the Development is required to set aside sixty-four (64) of the units as Qualified Units. Sixteen (16) of said Qualified Units shall be both rent-restricted and

occupied by individuals whose annual income is **TWENTY-FIVE (25%) PERCENT** or less of the area median gross income adjusted for family size, an additional sixteen (16) Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is **FIFTY (50%) PERCENT** or less of the area median gross income adjusted for family size, and a further thirty-two (32) Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is **SIXTY (60%) PERCENT** or less of the area median gross income, at the Qualified Rent, as determined by the Authority.

2. The Qualified Units shall remain affordable, for a period of thirty (30) years beyond the term of the Mortgage Loan. During this time the number of Qualified Units shall be determined by the following formula: divide the Mortgage Loan amount by the Authority-approved Total Development Cost ("TDC") and multiply the resulting figure by the number of Qualified Units.

3. The covenants and representations of the Mortgagor contained herein shall survive any sale, transfer, or other disposition of all or any portion of the Development by the Mortgagor or the repayment of the Mortgage Loan, and shall be binding upon the Mortgagor's successors and assigns, but may be waived by the Authority 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 Authority from enforcing the requirements hereof, or condemnation or similar event. Notwithstanding the foregoing sentence, the covenants and representations of the 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, the 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; and

4. 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 will 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. 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 Authority or its successors at the time of such sale. The covenant is to 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 Authority, or its successors and assigns as their interests may appear; and the 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 of low income, shall also be subject to the further restriction that no reconveyance of any such units shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Authority or its successors or its nominee that the prospective purchaser is an individual of low income, as the same shall be defined by the Authority at the time of the proposed conveyance. The Authority 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.

5. In the event of a partial destruction or condemnation which is not substantial, as determined by the Authority in its sole discretion, and if such destruction or condemnation is not repaired or corrected to the satisfaction of the Authority, then the remaining units in the Development shall be allocated, on the same basis described above, to individuals or families of low or moderate income. In the event of the substantial destruction or condemnation of the Development, as determined by the Authority in its sole discretion, which destruction is not rebuilt or corrected for any reason, then the Declarant shall have the right to request, and the Authority shall, so long as any applicable insurance proceeds have not been delivered to the Declarant, release and waive the Declarant and the Property from the terms, restrictions and conditions contained herein. Upon such destruction or condemnation, the Authority, or its successor(s) or nominee, shall execute appropriate documents for the 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 the Authority elects to so release and waive the Declarant and the Property from the terms restrictions and conditions contained herein. In the event that the Authority delivers the said insurance proceeds to the Declarant, and the Declarant is required to repair or reconstruct the Development pursuant to the terms of the Mortgage Loan, then the restrictions and covenants herein shall remain in full force and effect.

6 Twice each year in every Fiscal Year during the Compliance Period and the Extended Use Period or until the Mortgage has been released, whichever period is longer, the Declarant shall deliver to the Authority, in a form approved by the Authority, a certificate setting forth the percentage of units occupied by Qualified Persons. The Authority shall have the right to inspect the Declarant's records regarding tenants and tenant selection policy 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 Authority

7. To the extent necessary to comply with the Statutes, the Code and the Regulations, and the Authority's Procedures, including but not limited to the Qualified Allocation Plan and Application Process Procedures, the Authority 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 Property 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 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. 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

h. Low Income Housing Tax Credit Restrictive Covenant

Declarant hereby covenants and agrees to comply with Section 42 of the Code regarding the low income housing credit, including but not limited to, the Compliance Period, Extended Use Period and the extended low-income housing commitment requirement of subsection (h) (6) of Section 42, attached hereto as Exhibit D.

4 PROJECT MANAGEMENT

Mortgagor shall provide for the management of the Development in a manner acceptable to the Authority. Any management agreement with a property manager (the

"Managing Agent") entered into by Mortgagor involving the Development shall be approved in writing in advance by the Authority and shall contain a provision that it is subject to termination, without penalty and with or without cause, upon written request by the Authority. Any notice of such 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 arrangements reasonably satisfactory to the Authority for continuing proper management of the Development.

If Mortgagor fails to so terminate and appoint a new Managing Agent reasonably satisfactory to the Authority within said thirty (30) days, then the Authority shall designate a new Managing Agent and Mortgagor shall execute the management agreement acceptable to the Authority. If the Mortgagor itself manages the Development, the Authority shall have the right under this paragraph to reasonably require Mortgagor to enter into a management agreement with an independent Managing Agent at a rate and on terms and conditions approved by the Authority.

5. PAYMENT RESTRICTION FOR SERVICES, ETC

Payment for services, supplies or materials shall not exceed the amount ordinarily paid for such services, supplies or materials in the area where the services are rendered or the supplies or materials are furnished.

6. DEVELOPMENT OPERATIONS ACCOUNT

Mortgagor shall deposit Gross Revenues with a depository in the State, or a depository approved by the Authority, in a Development Operations Account. The Authority shall at all times be advised of the name and number of each account and the bank in which such account is maintained. Funds shall be disbursed from the Development Operations Account, to the extent available, as follows:

- a. first, for all Operating Expenses;
- b. second, for required deposits to the Reserve for Replacements;
- c. third, to the extent of Surplus Cash, for Distributions pursuant to Paragraph 8 l(1) of this Agreement; and
- d. fourth, with the prior written approval of the Authority, for amenities or design modifications to the Development which
 - (1) are necessary or desirable for the marketing of the Development;
 - (2) will reduce maintenance or replacement costs over a substantial portion of the term of the Mortgage Loan;
 - (3) will benefit a substantial portion of the residents of the Development by providing necessary or desirable social services that will improve the health, education, opportunity, security and general welfare of such residents; or
 - (4) will make an important contribution to the livability of the Development.

7 DEPOSITS

Mortgagor shall pay, deposit or deliver the following to the Authority as directed below:

- (a) A non-refundable commitment fee, payable upon Mortgagor's execution of the Commitment Letter, in the amount of ONE HUNDRED SEVENTEEN THOUSAND THREE HUNDRED THIRTEEN AND 00/100THS (\$117,313.00) DOLLARS which commitment fee is in full consideration for the making of the commitment by the Authority and the reservation of the

Mortgage Loan amount for the term of the Commitment Letter and which sum shall be deemed earned by the Authority when paid.

- (b) A good faith and working capital deposit which shall be delivered to the Authority at substantial completion of work on the Development, as determined by the Authority. The good faith and working capital deposit shall be in the amount of THREE HUNDRED THIRTY-TWO THOUSAND EIGHT HUNDRED FORTY AND 00/100THS (\$332,840.00) DOLLARS, in cash or in the form of an irrevocable and unconditional letter of credit in form and content and issued by a bank, satisfactory to the Authority, which shall name the Authority as the sole beneficiary thereof. A current financial statement for the financial institution issuing any letter of credit must be provided for approval by the Authority.

Proceeds of this deposit may be applied to meet the cost of:

- (1) Equipment purchases and rent-up of the entire development,
- (2) Mortgage reduction, if required;
- (3) Correction of a latent construction defect discovered or developed subsequent to the normal latent defect period for discovery;
- (4) Replacement of any building component or appliance in the event that the Reserves for Replacement are insufficient;
- (5) Replacement or correction of any loss to the development not otherwise covered by insurance;
- (6) Capital improvements as deemed necessary by the Authority;
- (7) Assisting or improving marketing of the dwelling units within the project;
- (8) Providing additional amenities to the project;
- (9) Completing the project;
- (10) Benefiting the project;
- (11) Paying principal, interest and other charges on the mortgage;
- (12) Paying taxes;
- (13) Paying assessments,
- (14) Paying property insurance premiums and other operating expenses;
- (15) Paying liens and legal expenses; and
- (16) For any other reason the Authority deems appropriate to cure a problem with the project.

Such deposit shall not constitute a loan to the Development by the Mortgagor. It shall not be used if the net income of the Development is sufficient to cover such costs and expenses and, in any case, shall not be used without the prior written approval of the Authority.

- (c) Assurance of completion of the Development in the form of 100% Payment and Performance Bond ("Bonds") issued by a surety acceptable to the Authority. Failure to maintain such Bonds in the amount required shall be an event of default pursuant to the Mortgage Loan Documents.
- (d) Concurrently with the commencement of amortization of the principal amount of the Mortgage Loan, the Mortgagor shall establish and thereafter maintain a Reserve for Replacements out of Gross Revenues by depositing to such Reserve Fund with the Authority, from the Development Operations Account, an amount in each month determined by multiplying the gross monthly rent by a percentage to be calculated at the time of the Final Closing (as defined in the Commitment Letter), unless a different rate or amount is approved or directed in writing by the Authority or unless forbearance of payment is authorized by the Authority in writing. The Reserve Fund plus any interest or other earnings thereon, whether in the form of a cash deposit or reinvestment in obligations of, or fully guaranteed by, the United States of America or an agency thereof or the State of

Connecticut, shall at all times be under the sole control of the Authority. The Authority shall permit disbursements from the Reserve Fund only for the purpose of effecting replacement of structural elements and mechanical equipment of the Development or for improvements thereto. Such disbursements shall only be made upon the written direction or consent of the Authority. In the event of a default under the terms of the Mortgage Loan or this Agreement, the Authority may apply or authorize the application of the balance in the Reserve Fund to the amount due on the Mortgage Loan, or at its option, may elect to maintain the Reserve Fund for its established purposes. The Authority shall have no liability for deficiencies in the Reserves for Replacements or the Development Operations Account arising from Mortgagor's failure to timely or adequately fund deposits therein.

- (e) Any reasonable costs, fees and expenses, including, but not limited to, attorney's fees arising in preparation for the Initial Closing or Final Closing of the Mortgage Loan.

8. RESTRAINT ON ALIENABILITY

Mortgagor shall not, without the prior written approval of the Authority, which approval shall not be unreasonably withheld

- a sell, convey (including transition, conveyance or transfer to a limited liability company), assign, transfer, lease (except for apartment leases on the form lease approved by the Authority) 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, provided that the sale of limited partnership interests and substitution of general partners upon the death or disability of a general partner, in accordance with Mortgagor's partnership agreement approved by the Authority, shall not be deemed to constitute a sale, conveyance, assignment or transfer for purposes of this Paragraph;
- b Assign, pledge, transfer, dispose of or encumber any personal property of the Development, including rents, or pay out any funds, except for reasonable Operating Expenses and necessary repairs;
- c Convey, assign, pledge, or transfer any beneficial interest in any partnership or limited liability company holding title to the Property, except as otherwise permitted by the Loan Documents, or any right to manage or receive the rents and/or profits from the Development;
- d Remodel, add to, reconstruct or demolish 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 kept separate and apart from all other funds of the Development in a trust account with a federally insured depository within the State, approved in writing by the Authority, the amount of which shall at all times equal or exceed the aggregate of all outstanding security deposit obligations of the

Development. 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 Mortgage Loan and any deferred Developer Fee (as defined in the Commitment Letter);
- i. Pay any compensation, including wages or salaries, or incur any obligations to 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 approved by the Authority;
- l. Make, receive or retain any Distribution except on the following conditions, provided that no Distribution shall occur without the prior written approval of an authorized officer of the Authority:
 - (1) All Distributions shall be made only after the end of each Fiscal Year and subsequent to audited financial statements approved by the Authority. All Distributions in any one Fiscal Year shall be limited to ten percent (10%) of the Mortgagor's Actual Cash Equity and be allowed only where the Authority, in its sole discretion, determines that the Development and operation thereof meet the following criteria to its satisfaction
 - A. Management - The Development must be operated in a manner consistent with Authority standards as described in the management plan approved by the Authority.
 - B. Financial Condition - The Development must 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
 - C. Physical Condition - The Development must be maintained in good physical condition as demonstrated by the Authority's physical inspection. The Development must not have any physical impediments which will require financing from sources other than the Reserve for Replacements.
 - 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. Rents shall be established to meet the objectives described in this Agreement
 - E. Market Conditions - Distributions shall be a function of market conditions. Market conditions will be considered in establishing rental schedules

- F. The right to Distributions shall be cumulative and payable from Surplus Cash, if any, at the end of successive Fiscal Years subsequent to Authority approval of audited financial statements for such Fiscal Years.
- (2) No Distribution shall be made from borrowed funds prior to the completion of the Development in accordance with the Construction Contract and the drawings, plans and specifications approved by the Authority or when there is any default under this Agreement or under the Authority Note, Authority Mortgage or Building Loan Agreement;
- (3) Distribution of any funds 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
- (4) No Distribution shall be made until there shall have been compliance with all outstanding notices or requirements for proper maintenance and operation of the Development.

9 REPORTING REQUIREMENTS

- a Unless a more frequent period for reporting is specified by the Authority in writing, Mortgagor shall furnish the Authority with occupancy reports and reports of income, expenses, accounts receivable and accounts payable on a monthly basis. Such reports shall be provided no later than the 15th day of each month. Mortgagor shall also provide such additional information as the Authority may reasonably request from time to time relative to the ownership, operation and maintenance of the Development.
- b Within sixty (60) days following the close of each Fiscal Year of the Development, Mortgagor shall furnish the Authority 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 the Mortgagor, containing a detailed, itemized statement of Gross Revenues, Operating Expenses, Surplus Cash, Distributions, and all other income and expenditures, prepared and certified to be in accordance with the Procedures and standards approved by the Authority and in conformity with generally accepted accounting principles applied on a consistent basis, and further certified by a duly authorized agent of the Mortgagor.
- c Annually, not later than sixty (60) days before the beginning of each Fiscal Year, Mortgagor shall submit to the Authority an itemized budget of Gross Revenues, Operating Expenses, Surplus Cash and Distributions for the following Fiscal Year. Such budget shall be accompanied by supporting documentation requested by the Authority.
- d. 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 Authority from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Authority

10 ESTABLISHMENT OF RENTS - QUALIFICATIONS OF TENANTS

Mortgagor further covenants and agrees that.

- a. With the prior written approval of the Authority, Mortgagor shall establish and maintain for each dwelling unit at the Development a rental charge which will satisfy the requirements of the Statutes, the Code and the Regulations and this Agreement, and provide income to the Development sufficient for the payment of principal, interest and fees and charges to the Authority under the Authority Mortgage and Authority Note.
- b. On forms approved by the Authority, Mortgagor shall obtain a certification of income from each prospective tenant, prior to execution of a lease and admission to the Development
- c. Mortgagor shall obtain written evidence substantiating the information given on the tenants' certifications of income in a manner prescribed by the Authority and shall maintain on file for the Authority's review a copy of such evidence. Mortgagor agrees that no person has been approved or shall be approved 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 the Authority
- d. Mortgagor shall require all tenants to execute a lease in the form prescribed or approved by the Authority.
 - (1) In the case of leases to individuals or families of low or moderate income, 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 approved by the Mortgagor as meeting the eligibility requirements.
 - (2) No unit in the Development shall be rented for less than one (1) year nor more than two (2) years.
- e. Mortgagor shall not restrict occupancy or rental of family units by reason of the fact that there are children in the family.
- f. No changes shall be made in the rental charges approved by the Authority at initial rent-up and in implementation of permission to occupy, except as may be annually adjusted and upon prior approval in writing by the Authority.
- g. Mortgagor shall not permit a tenant to rent more than one (1) residential dwelling unit at any given time without the prior written approval of the Authority.
- h. Mortgagor shall obtain prior written approval of the Authority for: (1) all documents used in renting the dwelling units and any commercial facilities including but not limited to lease forms, applications and personal histories; (2) all advertising and other public information regarding the Development; and (3) all procedures and standards to be utilized regarding approval or rejection of prospective tenants.
- i. Mortgagor shall grant to the Authority the right to execute leases on behalf of the Mortgagor from time to time for all sixty-four (64) Qualified Units in the Development with Qualified Persons of low or moderate income; sixteen (16) of said Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is **TWENTY-FIVE (25%) PERCENT** or

less of the area median gross income adjusted for family size; an additional sixteen (16) Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is FIFTY (50%) PERCENT or less of the area median gross income adjusted for family size, and a further thirty-two (32) Qualified Units shall be both rent-restricted and occupied by individuals whose annual income is SIXTY (60%) PERCENT or less of the area median gross income, upon the sole determination by the Authority 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, the Authority will be deemed an agent for the Mortgagor and will deposit all rent receipts into the Development Operations Account.

- j. Any Surplus Cash remaining after Distributions permitted under Paragraph 8 l(1) above, and payment in accordance with the Authority Note shall be considered "Residual Receipts" and shall be paid to the Authority and deposited in an interest-bearing account approved by and in the name of the Authority. The Authority or its successor or assign shall maintain sole ownership and control of funds deposited in the Residual Receipts account at all times. Residual Receipts shall be disbursed only on the direction of the Authority, which shall have the power and authority to direct that the Residual Receipts, or any part thereof, be used for such purpose as it may determine to benefit the Development.
- k. All rents received by the Mortgagor in excess of the maximum rents permitted or in excess of those rents established for Qualified Units shall be paid over by Mortgagor and held by the Authority.

11 NON DISCRIMINATION

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, and said Executive Order, no person in the United States shall, on the grounds of race, color, creed, religion, sex, sexual orientation or national origin, 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, creed, sex, national origin, membership in a class, ancestry, marital status, physical disability and mental disability. 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. Failure or refusal to comply with any such provisions, within any cure period that may be provided by law, shall be a proper basis for the Authority to take any corrective action it may deem necessary including, but not limited to, declaring a default under the Mortgage Loan Documents, the rejection of future applications for mortgage loans and the refusal to enter into future contracts of any kind with which the Mortgagor or its shareholders, members, partners, trustees or beneficiaries are in any way identified.

12 ASSIGNMENT OF RENTS AND INCOME

As security for the payments due under this Agreement, for the Reserve for Replacements and as security for the other obligations under the Mortgage Loan, Mortgagor assigns and pledges to the Authority, pursuant to the priority of their respective security positions, its rights to the rents, profits, income and charges of whatever sort which it may receive or be entitled to receive in connection with the operation of the Development. Unless a default is declared under the Mortgage Loan, permission is granted to Mortgagor to collect and retain under the provisions of this Agreement such rents, profits, income, and other payments.

13. BANKRUPTCY - REORGANIZATION

Mortgagor shall not file any petition in bankruptcy or for reorganization or 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 Development or any part thereof by a receiver, or the seizure and sale of the Development or any part thereof under judicial process or pursuant to any power of sale. Failure to have such adverse action set aside within forty-five (45) days shall constitute a default under this Agreement and under the Mortgage Loan

14. LITIGATION AGAINST MORTGAGOR

Mortgagor agrees promptly to notify the Authority in writing of any suits by or against Mortgagor, the Authority or the Development. No litigation seeking the recovery of a sum in excess of \$1,500.00 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$1,500.00 or suit for specific performance be settled or compromised by Mortgagor unless prior written consent thereto has been obtained from the Authority. Such consent may be subject to such terms and conditions as the Authority may, in its sole discretion, prescribe.

15. COMPLIANCE WITH STATUTORY REQUIREMENTS

In order to comply with the Statutes, the Code and the Regulations and other applicable Statutes and Regulations, Mortgagor agrees that, throughout the period defined 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 State and federal laws and requirements with respect to public policy, and the Authority's policies and Procedures for administering the tax credit and entering into financing agreements. In addition and without limitation thereto, Mortgagor shall agree to an "Apartment Mix" (the Apartment Mix shall be thirty-eight (38) 1-bedroom, 1 bath units, sixty-six (66) 2-bedroom, 2 baths units and twenty-four (24) 3-bedroom, 2 baths units) and shall provide a marketing plan acceptable to the Authority which complies with the foregoing requirements.

- a. Prior to initial occupancy of the Development, the Mortgagor shall advertise the availability of units therein in manners reasonably calculated to reach persons of low and moderate income. All advertisements shall be approved by the Authority prior to placement with any of the media. The Mortgagor shall verify the income of each applicant for Qualified Units.
- b. Mortgagor agrees that on and after the date of notification by the Authority to Mortgagor with respect to the availability of subsidy funds, it will not reject an applicant for a rental who, except for lack of adequate income, is acceptable as a tenant. Mortgagor will submit the application of such prospective tenant to the Authority for consideration by the Authority of the granting of a subsidy to such a prospective tenant during the term of the lease. The Authority may submit to Mortgagor the names of applicants for occupancy as tenants, and Mortgagor will review the application(s) and interview such prospective tenants.
- c. Following initial occupancy, the Managing Agent shall rent units vacated by Qualified Persons only to other Qualified Persons. Mortgagor and Managing Agent may modify the allocation and distribution of units so reserved only with the prior written permission of the Authority. Any such modification shall be carried out so that at all times, the Qualified Units will be occupied by (or previously occupied by and available for rental solely to) Qualified Persons. If at any time during the term of a lease, a Qualified Person in possession of a unit ceases to be a Qualified Person, such tenant shall be entitled to remain in such unit until the end of the term of such lease, and thereafter, the unit shall be leased to a Qualified Person.

16 CONTRADICTORY REQUIREMENTS

Mortgagor warrants that it has not, and will 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 as to the rights and obligations set forth, 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 Code and 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 Code or Regulations, such provision of the Code or Regulations shall prevail.

Mortgagor agrees to 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 agrees that it will 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.

17. FURTHER ACTION AND ASSURANCES

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

18 PARTNERSHIP REQUIREMENTS

- a. No amendments will be made to the Mortgagor's partnership agreement and such partnership agreement will not be terminated without the Authority's prior written approval;
- b. In the event of the dissolution or other change in the partnership, Mortgagor's business will be continued by the partners individually until a successor structure is formed and approved by the Authority; and
- c. No partner will voluntarily withdraw from the Mortgagor's partnership without the Authority's prior written approval.

19. LIABILITY

Mortgagor does not assume personal liability for payments due under the Authority Note or the Authority Mortgage, or for the payments to the Reserve for Replacements, or for matters not under its control, provided that the Mortgagor shall remain personally liable only as set forth in the Authority Mortgage.

20. REMEDIES

A Upon violation of any of the provisions of this Agreement by Mortgagor, the Authority 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 Authority. If such violation is not corrected to the satisfaction of the Authority within thirty (30) days after the date

such notice is mailed or within such further time as the Authority in its sole discretion may permit, the Authority without further notice, may declare a default under this Agreement effective on the date of such written notice of violation. Upon such default, the Authority may resort to one, all or any combination of the following courses of action:

- a. declare the whole of the indebtedness under the Authority Note immediately due and payable and proceed with the foreclosure of the Authority Mortgage;
- b. collect or cause to be collected all rents and charges in connection with the operation of 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 Authority Mortgage and the necessary expenses of preserving and operating the Development;
- c. take possession of the Development, bring any action necessary to enforce any rights of Mortgagor growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement and in compliance with the requirements of the Mortgage Loan;
- d. apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement, or for such other relief as may be appropriate, since the injury to the Authority 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 such Mortgage Loan Documents.

B. Any action(s) taken by the Authority shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Authority 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 Authority permitted by law, equity or contract or as set forth herein or in the Mortgage Loan Documents

21. CONTINUING EFFECT

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 Statutes, the Code and the Regulations and to enable the Authority, 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 land herein described and the same shall bind the Mortgagor and its successors and assigns, notwithstanding that the Mortgage Loan may not continue in effect

22. NOTICES

Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be 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 to the parties at the following addresses or facsimile numbers (or at such other addresses or facsimile numbers as shall be specified by like notice):

Mortgagee Connecticut Housing Finance Authority
999 West Street
Rocky Hill, Connecticut 06067

Attn. President - Executive Director

with a copy (which shall not constitute notice) to: General Counsel at the above address.

Mortgagor GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP
Attn. Marc Levine
942 Main Street, Suite 300
Hartford, Connecticut 06103

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, approval, 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, approval, declaration or other communication.

23. GOVERNING LAW

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

24. VALIDITY

The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

25. AMENDMENTS

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.

26. COUNTERPARTS

This Agreement may be executed in counterparts.

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

Signed, Sealed and Delivered
in the Presence of:

[Handwritten signatures]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

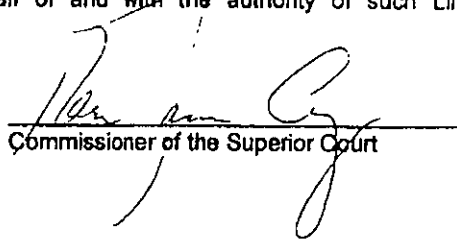
GRISWOLD HILLS OF NEWINGTON
LIMITED PARTNERSHIP
BY: GRISWOLD HILLS OF NEWINGTON
DEVELOPMENT CORP
GENERAL PARTNER

BY: *[Handwritten signature]*

Marc S. Levine
President

STATE OF CONNECTICUT)
) ss ROCKY HILL *November 26, 1997*
COUNTY OF HARTFORD)

Personally appeared, Marc S. Levine, President of GRISWOLD HILLS OF NEWINGTON DEVELOPMENT CORP., General Partner of GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP, a Limited Partnership organized and existing under the laws of the State of Connecticut, as aforesaid Signer and Sealer of the foregoing instrument, and acknowledged the same to be his free act and deed as President of GRISWOLD HILLS OF NEWINGTON DEVELOPMENT COPR., General Partner of GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP, and the free act and deed of GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP and that such instrument was signed on behalf of and with the authority of such Limited Partnership, before me.



Commissioner of the Superior Court

CONNECTICUT HOUSING FINANCE
AUTHORITY

Mary Bryant
MARY BRYANT
Fred L. Morse
FRANK L. MORSE

ACK
BY: Gary E. King
Gary E. King
President - Executive Director

STATE OF CONNECTICUT)
)
COUNTY OF HARTFORD)

ss. ROCKY HILL November 2, 1987

Personally appeared, Gary E. King, President-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, before me.

David C. Hodutin
Commissioner of the Superior Court

EXHIBIT A

Beginning at a point in the westerly street line of Kitts Lane, which point is the northeasterly corner of premises herein described and the southeasterly corner of land now or formerly of Woodsedge Associates;

thence running South $10^{\circ}-38'-21''$ East along the westerly street line of Kitts Lane a distance of six hundred seventy-two and twenty-seven one-hundredths (672.27) feet to a point;

thence turning and running South $80^{\circ}-19'-21''$ West a distance of one hundred sixty-five and ninety-eight one-hundredths (165.98) feet to a point;

thence turning and running North $67^{\circ}-46'-57''$ West a distance of eight hundred seventy-three and ten one-hundredths (873.10) feet to a point;

thence turning and running North $28^{\circ}-18'-11''$ East a distance of two hundred seventy-nine and twenty-four one-hundredths (279.24) feet to a point;

thence turning and running North $81^{\circ}-15'-38''$ East a distance of thirty-two and seventy-eight one-hundredths (32.78) feet to a point;

thence turning and running North $08^{\circ}-44'-22''$ West a distance of one hundred fifty and no one-hundredths (150.00) feet to a point;

thence turning and running North $81^{\circ}-15'-38''$ East a distance of two hundred fifty-two and thirty-seven one-hundredths (252.37) feet to a point in the easterly property line of land now or formerly of Woodsedge Associates;

The above six courses are along land now or formerly of the State of Connecticut.

thence turning and running South $18^{\circ}-26'-06''$ East a distance of one hundred fifty-two and seventeen one-hundredths (152.17) feet to a point;

thence turning and running North $81^{\circ}-01'-41''$ East a distance of one hundred ninety-seven and eighty-one one-hundredths (197.81) feet to a point;

thence running North $80^{\circ}-46'-24''$ East a distance of two hundred thirteen and two one-hundredths (213.02) feet to the point or place of beginning.

The last 3 courses are along land now or formerly of Woodsedge Associates.

CONNECTICUT HOUSING FINANCE AUTHORITY

COMPLIANCE MONITORING: OWNER'S ANNUAL CERTIFICATION

1. My name is _____
and my business address is:

2. I am the _____
(Title)
of _____, the General Partner
of _____, a Connecticut
limited partnership.

3. I hereby certify, (under the penalties of perjury) that, during
the preceding calendar year:
 - a. The project meets the requirements of either
(check one)
_____ 20-50 test of IRC Sec. 42(g)(1)(A); or
_____ 40-60 test of IRC Sec. 42(g)(1)(B); or
_____ 15-40 test of IRC Sec. 42(g)(4).

 - b. I have received an annual low-income certification from each
low-income tenant and documentation supporting same on forms
acceptable to the Authority.

 - c. Each low-income unit in the project is rent-restricted under
Section 42(g)(2) of the IRC.

 - d. All units in the project are for use by the general public
on a non-transient basis.

 - e. Each building in the project is suitable for occupancy in
accordance with local health, safety and building codes.

 - f. There has been no change in the eligible basis of any
building for the year in the project.

 - g. All tenant facilities included in eligible basis, such as
swimming pools, other recreational facilities, and parking
areas, are provided on a comparable basis without charge to
all tenants in the building.

- h. If a low-income unit becomes vacant during the year, reasonable attempts are made to rent that unit to tenants having qualifying income and, while such unit is vacant, no units comparable or smaller in size are rented to tenants not having a qualifying income.
 - i. If a low-income tenant's income increases above the limit allowed in IRC Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project will be rented to tenants having qualifying income.
 - j. The applicable fraction under Section 42(c)(1)(B) has not changed from the prior year, or if changed, a description of the change is attached.
 - k. An extended low-income housing commitment, as described in Section 42(h)(6), was in effect for the taxable year.
4. The Project is in continuing compliance with the Extended Low-Income Housing Commitment executed by the undersigned.
 5. The Project is otherwise in compliance with the IRC, including any Treasury regulations pursuant thereto, the Qualified Allocation Plan, and all other applicable laws, rules, regulations and ordinances.
 6. I hereby certify that the foregoing statements are accurate to the best of my knowledge and that I will, if requested, submit documentation in support of such statements.

Date: _____

STATE OF CONNECTICUT)

) ss:

COUNTY OF _____)

Subscribed and sworn to before me this ____ day of

_____, 19__.

Notary Public/Commissioner of the Superior Court

* A CORPORATE RESOLUTION AUTHORIZING THE ABOVE SIGNATORY MUST BE ATTACHED.

INITIAL CERTIFICATION RECERTIFICATION EFFECTIVE DATE: _____

I. DEVELOPMENT DATA:

- | | | |
|----------------------------|---|----------------------------------|
| 1. _____
PROJECT NAME | 2. _____
BUILDING IDENTIFICATION # | 3. _____
TOTAL # UNITS |
| 4. _____
MEDIAN INCOME | 5. _____
INCOME LIMIT
PER FAMILY SIZE | 6. _____
UTILITY ALLOWANCE |
| 7. _____
QUALIFIED RENT | 8. _____
FAMILY CONTRIBUTION/NET RENT | 9. _____
APPLICABLE SET ASIDE |

II. TENANT DATA:

MEMBER NO.	LAST NAME	FIRST NAME	AGE	RELATIONSHIP	SEX
1					
2					
3					
4					
5					

III. INCOME (USE ANNUAL AMOUNTS):

(A) MBR NO.	(B) EMPLOYMENT OR BUSINESS	(C) SOCIAL SECURITY, PENSIONS, ETC.	(D) PUBLIC ASSISTANCE	(E) OTHER INCOME
TOTAL INCOME	(F) \$	(G) \$	(H) \$	(I) \$

(I) TOTAL INCOME FROM ALL SOURCES: \$ _____

**The gross anticipated annual amount of social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts including a lump-sum payment for the delayed start of a periodic payment.

***Also include: (a) payments in lieu of earnings such as unemployment disability compensation, workers compensation and severance pay. (b) periodic and determinable allowances, such as alimony and child support payments, and regular contributions of gifts received from persons not residing in the unit. (c) all regular pay, special pay and allowances of a member of the armed forces (whether or not living in the unit) who is head of household, spouse, or other person whose dependents are residing in the unit.

Do not include as income casual, sporadic or irregular gifts; amounts which are specifically for reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; payments received pursuant to participation in Action volunteer programs; and income from the employment of children (including foster children) under the age of 18 years.

IV. ASSETS:

(A) TYPE OF ASSETS	(B) C OR I	(C) CASH VALUE OF ASSETS	(D) ACTUAL YEARLY INCOME FROM ASSETS
TOTALS		(E) \$	(F) \$

(G) TOTAL INCOME FROM ALL ASSETS: \$ _____

V. TOTAL ANNUAL INCOME (ITEM III (J) PLUS ITEM IV (G)): \$ _____

*If any of the occupants listed in Section II above has any savings, bonds, equity in real property, or other form of capital investment (but do not include necessary items such as furniture or automobiles), complete Section IV (A-G). Includes the value over and above actual consideration received, except in foreclosure or bankruptcy, of any asset disposed of for less than fair market value within two years of the date of this Income Certification.

VI. STATISTICAL DATA:

MOVE-IN DATE	UNIT #	HEAD HSLD	SPOUSE	# OF CHLDN	HSHLD INCOME	RENT	Q	# IN HSLD	UNIT SIZE	HNDCP/DSBLD	RACE

* CHECK IF APPLICABLE

VII. STUDENT STATUS:

(A) WILL ANY OF THE PERSONS LISTED IN SECTION II ABOVE BE, OR HAVE THEY BEEN, FULL-TIME STUDENTS DURING 5 MONTHS OF THIS CALENDAR YEAR AT AN EDUCATIONAL INSTITUTION (OTHER THAN A CORRESPONDENCE SCHOOL OR NIGHT SCHOOL) WITH REGULAR FACULTY AND STUDENTS?

YES _____
NO _____

(B) IF THE ANSWER TO VII (A) IS YES, PLEASE CHECK THE APPLICABLE STATUS FROM THE LIST BELOW:

____ MARRIED AND ACTUALLY FILE A JOINT TAX RETURN _____ RECEIVING AFDC PAYMENTS
 ____ PARTICIPATING IN A JOB TRAINING PROGRAM WITH ASSISTANCE _____ RECEIVING SOC. SECURITY TITLE IV
 ____ THE FULL TIME STUDENT IS A SINGLE PARENT WITH MINOR CHILDREN AND NONE OF THE TENANTS IS A DEPENDENT OF A THIRD PARTY. _____ NONE OF THE ABOVE (PLEASE REFER TO INSTRUCTIONS.)

I/WE CERTIFY THAT THE INFORMATION ON THIS FORM IS CORRECT AND MY FAMILY IS ELIGIBLE TO LIVE IN THE DWELLING UNIT.

(SIGNATURE OF LESSEE) (DATE) (SIGNATURE OF LESSEE) (DATE)

WARNING: IT IS A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR MISREPRESENTATION TO ANY DEPARTMENT OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

REVIEWED BY: _____
(SIGNATURE OF OWNER/REPRESENTATIVE) (DATE)

CT-97-00025

EXTENDED LOW-INCOME HOUSING COMMITMENT

This Extended Low-Income Housing Commitment (the "ELIHC") is made this 21st day of November, 1997, by and between Griswold Hills of Newington Limited Partnership, a Connecticut limited partnership with an office and principal place of business at 942 Main Street, Suite 300, Hartford, CT 06103 (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")

WITNESSETH

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

WHEREAS, the Owner is the owner of property known as Griswold Hills, located at Kitts Lane, Newington, Connecticut 06111 (the "Property"),

WHEREAS, the Authority issued an allocation of 1997 low-income housing tax credits in the amount of \$541,631 to the Owner, and

WHEREAS, Section 42(h)(6)(A) of the Internal Revenue Code of 1986, as amended (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.

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:

1. DEFINITIONS

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

- a. "Compliance Period" means, with respect to any building, the period of fifteen (15) taxable years beginning with the first 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 -

- (1) the taxable year the building is placed in service, or
- (2) at the election of the taxpayer, the succeeding year,

but only if the building is a qualified low-income building as of the close of the first 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, which shall also include the following.

(1) Components of Development - The Development will consist of 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 Sections 42(g)(7) and 42(h)(6)(k) of the Code), which buildings shall be owned by the same person for tax purposes:

- (i) each containing one or more similarly constructed 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 units of which will be rented or available for rental on a nontransient basis to members of the general public.

NOTE: Special provisions apply for eligible single room occupancy housing and transitional housing for the homeless

(2) Change in Development - The Owner will make no change in the nature, size (including number of units) or location of the Development from that which was described in the Board presentation and Resolution adopted July 30, 1997, without the prior written consent of the Authority.

- d. "Extended Use Period" means the period:
- (1) beginning on the first day in the compliance period on which such building is part of a qualified low-income housing project; and
 - (2) ending on the later of -
 - (i) the date specified by the Authority in the ELIHC, or
 - (ii) 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 Persons" 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; except that in the case of individuals and families occupying at least 16 units, and of these seven (7) one-bedroom and nine (9) two-bedroom units, individuals and families having an annual income not exceeding twenty-five percent (25%) of area median gross income at such time; and except that in the case of individuals and families occupying at least sixteen (16) additional units, and of these five (5) one-bedroom, eight (8) two-bedroom and three (3) three-bedroom units, individuals and families having an annual income not exceeding fifty (50%) 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;
- i. "Unit" means the individual dwelling referenced in subsection (1) of subsection (c) of this first section.

2. THE COMMITMENT

- a. Failure to comply with the provisions of the ELIHC is an event of default and the Authority or its successors may exercise any of the remedies available hereunder. Furthermore, the Authority may seek specific performance of the ELIHC 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. The applicable fraction (as defined in subsection (c)(1) of Section 42 of the Code) for each taxable year in the Extended Use Period shall not be less than 64/128 (Qualified Units/total Units). Notwithstanding anything herein to the contrary, the Owner shall have the right to rent more than 50 percent (50%) of the Units in the Development to Qualified Persons.
- c. Individuals who meet the income limitation applicable under subsection (g)(1) of Section 42 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 of subsections (a) and (b) of this second section of the ELIHC and may apply to any state court for specific performance of the provisions of the ELIHC notwithstanding any action which may or may not be taken by the Authority.
- d. The Extended Use Period shall be for an additional fifteen (15) years after the close of the Compliance Period, unless terminated earlier ("Early Termination") on the date of foreclosure or deed-in-lieu of foreclosure or on the date which is one year after 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 subsection (h)(6)(F) of Section 42 of the Code, for the acquisition of the low-income portion of the Development, as defined in subsection (h)(8)(H) of Section 42 of the Code, all in accordance with Section 42(h)(6) of the Code, provided that the Authority has not presented such a contract.
- e. During the Extended Use Period:
 - (1) not less than 64 units (50%) in the Development shall be occupied or 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); and

- (2) 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
- f. For the 3-year period following an Early Termination of the Extended Use Period:
- (1) 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 reason other than good cause), and
 - (2) 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.
- g. The Owner hereby agrees that the ELIHC prohibits (i) the disposition to any person of any portion of the building to which this ELIHC applies unless all of the building to which such ELIHC applies is disposed of to such person; and (ii) 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.
- h. The restrictive covenants of this section shall be binding on all successors and assigns of the Owner and this Commitment shall be recorded pursuant to Connecticut Law as a restrictive covenant.

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

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

GRISWOLD HILLS OF NEWINGTON
LIMITED PARTNERSHIP
GRISWOLD HILLS OF NEWINGTON
DEVELOPMENT CORP.,
ITS GENERAL PARTNER

[Signature]
KAREN J. MORSE
[Signature]
TRACY L. MORSE

By [Signature]
Its President

CONNECTICUT HOUSING FINANCE AUTHORITY

[Signature]
MARY BRYANT
[Signature]
TRACY L. MORSE

By [Signature]
Gary E. King
Its President-Executive Director

STATE OF CONNECTICUT)
COUNTY OF Hartford)

ss. Rocky Hill November 21, 1997

Personally appeared, Mark S. Levine, President of the General Partner of Griswold Hills of Newington Limited Partnership, as aforesaid Signer and Sealer of the foregoing instrument and acknowledged the same to be his free act and deed as President of the General Partner and the free act and deed of Griswold Hills of Newington Limited Partnership, and that said instrument was signed on behalf of and with the authority of said limited partnership, before me.

[Signature]
Commissioner of the Superior Court
Notary Public

STATE OF CONNECTICUT)
COUNTY OF HARTFORD)

ss Rocky Hill NOV 21, 1997

Personally appeared, Gary E. King, President-Executive Director of 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 Corporation, before me.

[Signature]
Commissioner of the Superior Court
~~Notary Public~~

Rev 6-13-96

Received for Record November 21, 1997 at 3:49 P. M. Attest [Signature]
Town Clerk

After recording, please return to: CHFA, 999 West St., Rocky Hill, CT 06067; Attn: Legal/r/r

CT-11-00901 - CT-11-00908

EXTENDED LOW-INCOME HOUSING COMMITMENT

This Extended Low-Income Housing Commitment (the "ELIHC") is made this 16th day of October, 2012, by and between Victory Gardens Housing LLC, a Connecticut limited liability Company with an office and principal place of business at 61 Main Street, Middletown, CT 06457 (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").

WITNESSETH:

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

WHEREAS, the Owner is the leasehold owner and lessee of certain property known as Victory Gardens, located at 5-75 Victory Way, Newington, CT 06111, in accordance with a certain Enhanced Use Lease dated December 27, 2011 and an Amendment #1 to the Enhanced-Use Lease made and entered into as of September 7, 2012 (the "Property");

WHEREAS, the Authority issued an allocation of 2011 and 2012 low-income housing tax credits in the amount of \$1,842,068 to the Owner; and

WHEREAS, Section 42(h)(6)(A) of the Internal Revenue Code of 1986, as amended (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.

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:

1. DEFINITIONS

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

- a. "Compliance Period" means, with respect to any building, the period of fifteen (15) taxable years beginning with the first 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:
 - (1) the taxable year the building is placed in service, or
 - (2) at the election of the taxpayer, the succeeding year,

but only if the building is a qualified low-income building as of the close of the first 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, which shall also include the following:

(1) Components of Development - The Development will consist of 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 Sections 42(g)(7) and 42(h)(6)(k) of the Code), which buildings shall be owned by the same person for tax purposes:

(i) each containing one or more similarly constructed 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 units of which will be rented or available for rental on a nontransient basis to members of the general public.

NOTE: Special provisions apply for eligible single room occupancy housing and transitional housing for the homeless.

(2) Change in Development - The Owner will make no change in the nature, size (including number of units) or location of the Development from that which was described in the Board presentation and Resolution adopted August 25, 2011, without the prior written consent of the Authority.

d. "Extended Use Period" means the period:

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

(2) ending on the later of -

(i) the date specified by the Authority in Section 2d of this ELIHC, or

(ii) 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 Persons" 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 of area median gross income, adjusted for family size, within the meaning of the Code and the Treasury Regulations promulgated thereunder; except that in case of individuals and families occupying at least twenty-seven (27) units, individuals and families having an annual income not exceeding fifty percent of area median gross income at such time; and except that, in the case of individuals and families occupying at least thirty (30) additional units, individuals and families having an annual income not exceeding twenty-five percent of area median gross income at such time. In the event of the loss of project-based rental assistance, with the prior written approval of the Authority, units may revert to being occupied by individuals and families having an annual income not exceeding sixty percent 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 30 percent 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;
- i. "Unit" means the individual dwelling referenced in subsection (1) of subsection (c) of this first section.

2. THE COMMITMENT

- a. Failure to comply with the provisions of this ELIHC is an event of default and the Authority or its successors may exercise any of the remedies available hereunder. Furthermore, the Authority may seek specific performance of this ELIHC 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. The applicable fraction (as defined in subsection (c)(1) of Section 42 of the Code) for each taxable year in the Extended Use Period shall not be less than 74/74 (Qualified Units/total Units).
- c. Individuals who meet the income limitation applicable under subsection (g)(1) of Section 42 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 of subsections a. and b. of this second section of this ELIHC and may apply to any state court for specific performance of the provisions of this ELIHC notwithstanding any action which may or may not be taken by the Authority.
- d. The Extended Use Period shall be for an additional fifty-eight (58) years after the close of the Compliance Period, unless terminated earlier ("Early Termination") on the date of foreclosure or deed-in-lieu of foreclosure.
- e. During the Extended Use Period:

- (1) not less than seventy-four (74) units (100%) in the Development shall be occupied or 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); and
 - (2) 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.
 - (3) 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 reason (other than for good cause); and
 - (4) no rent may be increased for any Qualified Unit beyond the Qualified Rent:
 - (i) at any time during the Extended Use Period; or
 - (ii) as long as it is occupied by the tenant who was occupying the unit at the early termination of the Extended Use Period.
- f. For the 3-year period following an Early Termination of the Extended Use Period:
- (1) 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 reason other than good cause); and
 - (2) 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.
- g. The Owner hereby agrees that this ELIHC prohibits (i) the disposition to any person of any portion of the building to which this ELIHC applies unless all of the building to which such ELIHC applies is disposed of to such person; and (ii) 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.
- h. The restrictive covenants of this section shall be binding on all successors and assigns of the Owner and this Commitment shall be recorded pursuant to Connecticut Law as a restrictive covenant.
- i. The Owner hereby agrees to record this ELIHC promptly on the land records of the town or city where the Property is located prior to the recording of any other lien or restrictions. If any financing liens on the Property have already been recorded on the land records at the time this ELIHC is recorded, the Owner agrees to use its best efforts to obtain an

agreement from the holders of such liens, naming the Authority as a party, to subordinate such liens to the lien created by this ELIHC, and to provide the Authority with a copy of such subordination agreement.

3. MISCELLANEOUS

- a. This ELIHC 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 ELIHC shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of the provisions of this ELIHC, 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 C.G.S. Section 53a-157b.

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

Victory Gardens Housing LLC
BY: Women's Institute Realty of Connecticut, Inc.
Its Member

Kathryn Shafiq
Kathryn Shafiq
Ellen F. Adams
Ellen F. Adams

BY: Loni Willey
Name: Loni Willey
Title: Executive Director

CONNECTICUT HOUSING FINANCE AUTHORITY

Rebekah Rolfe
Rebekah Rolfe
Michelle Padore
Michelle Padore

HFM By: Dara Kovel
Its Chief Housing Officer

STATE OF CONNECTICUT)

COUNTY OF MIDDLESEX) ss: Middletown ^{September} October 28 2012)

Personally appeared, Loni Willey, Executive Director of Women's Institute Realty of Connecticut, Inc., Member of Victory Gardens Housing LLC, as aforesaid Signer and Sealer of the foregoing Instrument, and acknowledged the same to be her free act and deed as Executive Director of Women's Institute Realty of Connecticut, Inc., and the free act and deed of Victory Gardens Housing LLC, and that said instrument was signed on behalf of and with the authority of said Owner, before me.



MEGAN E. FAFARD
NOTARY PUBLIC
State of Connecticut
My Commission Expires
9/30/13
Megan E. Fafard
~~Commissioner of the Superior Court~~
Notary Public

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) ss. Rocky Hill October 10 , 2012)

Personally appeared, Dara Kovel, Chief Housing Officer of the CONNECTICUT HOUSING FINANCE AUTHORITY, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be her free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.

R. Rolle
~~Commissioner of the Superior Court~~
Notary Public
REBEKAH L. ROLLE
NOTARY PUBLIC
MY COMMISSION EXPIRES JULY 31, 2017

Received for Record at Newington, CT
On 10/10/2012 At 2:45:25 pm
[Signature]

**DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS,
MORTGAGE DEED AND
COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT
MODIFICATION AGREEMENT**

18189

This is a Modification Agreement for the DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS, MORTGAGE DEED AND COVENANT OF COMPLIANCE AND REGULATORY all dated as of the 21st day of November, 1997, by and between 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 in the Town of Rocky Hill, County of Hartford and State of Connecticut (the "Authority"), and GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of the State of Connecticut with an office and principal place of business at 942 Main Street, Suite 300, Hartford, Connecticut 06103 (the "Mortgagor").

RECITALS

On November 21, 1997, the Mortgagor, as owner in fee simple of the development known as GRISWOLD HILLS and located at Kitts Lane, Newington, Connecticut (the "Development"), borrowed the amount of NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS (the "Mortgage Loan") to aid the Mortgagor in financing the acquisition and construction of a rental housing development for persons of low and moderate income, pursuant to the provisions (i) of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended (the "Act") and (ii) of the Internal Revenue Code of 1986, as amended, (the "Code") and the regulations promulgated thereunder, as amended (the "Regulations");

The Mortgage Loan is secured by a Mortgage Deed from Mortgagor to the Authority dated November 21, 1997 and recorded in the Newington Land Records in Volume 1170 at Page 188 (the "Mortgage");

Mortgagor executed a Declaration and Agreement of Restrictive Covenants with the Authority dated November 21, 1997 and recorded in the Newington Land Records in Volume 1170 at Page 167 (the "Declaration");

Mortgagor executed a Covenant of Compliance and Regulatory Agreement with the Authority dated November 21, 1997 and recorded in the Newington Land Records in Volume 1170 at Page 227 (the "Regulatory Agreement");

Mortgagor has requested certain Mortgage Loan modifications, and the Authority has agreed to such modifications.; and

Mortgagor and the Authority also have agreed to increase the amount of the working capital escrow deposit by the sum of NINETY THOUSAND AND 00/100THS (\$90,000.00) DOLLARS.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the Mortgagor and the Authority hereby agree as follows:

1. The principal sum of "NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS" in lines 4 and 5 of the first paragraph on page one and in lines 2 and 3 of the second paragraph on page 3 of the Mortgage is hereby deleted, and the principal sum of "NINE MILLION SEVEN HUNDRED SIXTY AND 00/100THS (\$9,760,000.00) DOLLARS" is substituted in its place and stead.

2. Exhibit C attached to the Mortgage is hereby modified to include a copy of the Second Amendment to Promissory Note dated of even date herewith and attached hereto as Exhibit A.

3. The principal sum of "NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS" in lines 3 and 4 of the second paragraph on page one of the Declaration is hereby deleted, and the principal sum of "NINE MILLION SEVEN HUNDRED SIXTY AND 00/100THS (\$9,760,000.00) DOLLARS" is substituted in its place and stead.

4. The principal sum of "NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS" in lines 3 and 4 of the second paragraph on page one of the Regulatory Agreement is hereby deleted, and the principal sum of "NINE MILLION SEVEN HUNDRED SIXTY AND 00/100THS (\$9,760,000.00) DOLLARS" is substituted in its place and stead.

5. The good faith and working capital escrow deposit amount of "THREE HUNDRED THIRTY-TWO THOUSAND EIGHT HUNDRED FORTY (\$332,840.00) DOLLARS" in lines 4 and 5 of paragraph 7.(b) of the Regulatory Agreement is hereby deleted, and the amount of "FOUR HUNDRED TWENTY-TWO THOUSAND EIGHT HUNDRED FORTY AND 00/100THS (\$422,840.00) DOLLARS" is substituted in its place and stead.

6. Except as herein revised, the Declaration, Mortgage and Regulatory Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the 26th day of July, 1999.

Signed, Sealed and Delivered in the Presence of:

Lorraine A. Carver
LORRAINE A. CARVER

Tracy L. Morse
TRACY L. MORSE

Karen Janice Coley
KAREN JANICE COLEY

Tracy L. Morse
TRACY L. MORSE

CONNECTICUT HOUSING FINANCE AUTHORITY

ACH
BY: *[Signature]*
John K. Crator
Vice President - Finance and Administration

GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP

BY: GRISWOLD HILLS OF NEWINGTON DEVELOPMENT CORP. GENERAL PARTNER

By: *[Signature]*
Marc S. Levine
President

STATE OF CONNECTICUT)
COUNTY OF HARTFORD)

ss: ROCKY HILL

July 23, 1999

Personally appeared, JOHN K. CRAFT, Vice President - Finance and Administration 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 the State of Connecticut, before me.

Tracy L. Morse
Commissioner of the Superior Court

TRACY L. MORSE
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2002

STATE OF CONNECTICUT)
COUNTY OF HARTFORD)

ss: ROCKY HILL

July 26, 1999

Personally appeared, MARC S. LEVINE, President of Griswold Hills of Newington Development Corp., General Partner of GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP, a Connecticut limited partnership, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as President of Griswold Hills of Newington Development Corp., General Partner of GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP, and the free act and deed of GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP and that said instrument was signed on behalf of and with the authority of said limited partnership, before me.

Marc S. Levine
Commissioner of the Superior Court

Exhibit A

SECOND AMENDMENT TO
PROMISSORY NOTE

AGREEMENT made this 26th day of July, 1999 by and between GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP and CONNECTICUT HOUSING FINANCE AUTHORITY ("CHFA"),

WITNESSETH:

WHEREAS, GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP executed, as "Maker," and delivered to CHFA that certain Promissory Note dated November 21, 1997, in the original principal amount of NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS, which note was amended by an Amendment to Promissory Note dated January 22, 1999 (collectively, the "Note"), a copy of the Note being annexed hereto as Exhibit A; and

WHEREAS, the parties wish to amend the Note,

NOW, THEREFORE, in consideration of the mutual promises and considerations herein contained, it is hereby agreed as follows:

1. The principal sum of "NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS" in lines six and seven of the first paragraph on page one is hereby deleted, and the principal sum of "NINE MILLION SEVEN HUNDRED SIXTY AND 00/100THS (\$9,760,000.00) DOLLARS" is substituted in its place and stead.

2. In line eleven of the first paragraph on page one, the interest rate of "three and one-half (3.5%) percent" is hereby deleted, and the interest rate of "three and one-quarter (3.25) percent" is substituted in its place and stead.

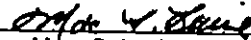
3. In the third and fifth sentences of the second paragraph on page 1, the number "forty percent (40%)" is hereby deleted, and the number "fifty percent (50%)" is substituted in its place and stead.

4. In the third sentence of the last paragraph on page three, the date "July 1, 1999" is hereby deleted, and the date "July 26, 1999" is substituted in its place and stead.

5. In all other respects, the Note is hereby restated and ratified, in full.

GRISWOLD HILLS OF NEWINGTON LIMITED
PARTNERSHIP

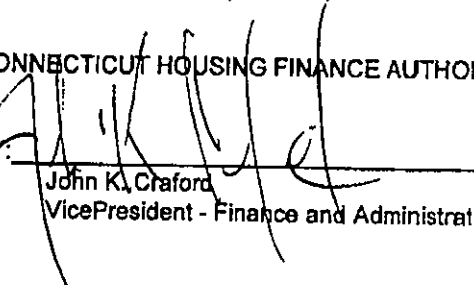
BY: GRISWOLD HILLS OF NEWINGTON
DEVELOPMENT CORP.
GENERAL PARTNER

BY: 

Marc S. Levine
President

CONNECTICUT HOUSING FINANCE AUTHORITY

ACH
BY:


John K. Craford
Vice President - Finance and Administration

AMENDMENT TO
PROMISSORY NOTE

AGREEMENT made this 22nd day of January, 1999 by and between
GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP and CONNECTICUT
HOUSING FINANCE AUTHORITY ("CHFA").

WITNESSETH:

WHEREAS, GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP
executed, as "Maker," and delivered to CHFA that certain Promissory Note dated
November 21, 1987, in the original principal amount of NINE MILLION THREE
HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS
(the "Note"), a copy of the Note being annexed hereto as Exhibit A; and

WHEREAS, the parties wish to amend the Note,

NOW, THEREFORE, in consideration of the mutual promises and considerations
herein contained, it is hereby agreed as follows:

1. The date of "January 21, 1999" in the third sentence of the last paragraph
on page three is hereby deleted, and the date of "July 1, 1999" is substituted in its place
and stead.
2. In all other respects, the Note is hereby restated and ratified, in full.

GRISWOLD HILLS OF NEWINGTON LIMITED
PARTNERSHIP

BY: GRISWOLD HILLS OF NEWINGTON
DEVELOPMENT CORP.
GENERAL PARTNER

BY: Marc S. Levine
Marc S. Levine
President

CONNECTICUT HOUSING FINANCE AUTHORITY

BY: Gary E. King 1/22/99
Gary E. King
President - Executive Director

PROMISSORY NOTE

Rocky Hill, Connecticut

\$9,385,000.00

November 21, 1997

FOR VALUE RECEIVED, the undersigned, GRISWOLD HILLS OF NEWINGTON LIMITED PARTNERSHIP ("Maker"), promises to pay to CONNECTICUT HOUSING FINANCE AUTHORITY ("Holder", "holder" or "Authority"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, or order, at its office in Rocky Hill, Connecticut, or at such other place as the holder hereof may designate in writing, the principal sum of NINE MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND AND 00/100THS (\$9,385,000.00) DOLLARS, together with interest thereon as hereinafter set forth. Commencing on the date hereof, interest only shall be payable monthly in arrears, on so much thereof as may be advanced and remain unpaid, at a per annum rate of six and ninety-nine one-hundredths (6.99%) percent. Principal and interest at a per annum rate of three and one-half (3.5%) percent shall be due and payable on a self-liquidating basis in monthly installments commencing on the first day of the month following Final Closing (as defined in the Authority's Mortgage Loan Commitment Letter dated September 10, 1997, as amended) and each and every month thereafter until the entire principal sum, with interest, has been fully paid. Any remaining unpaid indebtedness, together with any unpaid interest at the aforesaid rate, shall be due and payable on March 1, 2039.

Additional interest up to a maximum of \$6,750,000 shall be due and payable (i) annually, no later than ninety (90) days after the close of Maker's fiscal year, in an amount equal to forty percent (40%) of net cash flow from the Development, and (ii) from proceeds of a capital transaction, provided that in no event shall the amount to be paid from proceeds of a capital transaction exceed forty percent (40%) of such proceeds as defined in the Loan Documents (as defined in the Mortgage Deed securing this Note). "Net cash flow" is defined as revenues from the Development after payment of operating expenses, replacement reserves, real estate taxes, and debt service to the Authority. A capital transaction is defined as a sale, assignment, refinance or transfer of the Development. The net proceeds of a capital transaction is the amount remaining after payment and satisfaction of the Mortgage Loan and payment of (A) reasonable expenses of such sale, assignment, refinance, or transfer (e.g., appraisers', brokers' and attorneys fees', conveyance taxes, and recording fees) and (B) reasonable marketing, rehabilitation and relocation fees as required for any such transaction and approved by the Authority, less Maker's actual cash equity in the Development.

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 shall be applied by holder to the following items in the order set forth:

1. Taxes, payments in lieu of taxes, assessments, water charges and other public impositions;
2. Hazard and liability insurance premiums;
3. Late charges, if any, on this Note;
4. Interest on this Note;

5. Payments to the Reserve for Replacements as defined in the Covenant of Compliance and Regulatory Agreement executed by Maker of even date herewith; and
6. Principal on this Note.

Maker also agrees to pay (i) all taxes or duties assessed upon said sum or this Note against the holder hereof, the debt evidenced hereby or the mortgage securing the same and upon the property described in said mortgage, 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 securing this Note, 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 securing the same.

Authority may collect a late charge not to exceed an amount equal to four (4%) percent 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.

Default in the payment of any installment of principal and interest due under this Note or of taxes or municipal assessments on the premises mortgaged to secure this Note or of fire or other insurance premiums, or of taxes or duties on this Note for a period of thirty (30) days after any of the same become due and payable or failure to keep and perform any of the agreements or provisions contained in the mortgage securing this Note after the expiration of any applicable notice and cure periods shall render the whole of this Note immediately due and payable at the option of the holder hereof and any failure to exercise said option shall not constitute a waiver of the right of said holder to exercise said option at a later time.

Each and every maker, endorser, guarantor and surety of this Note and all others who may become liable for all or any part of this obligation 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 for payment thereof and of the time for advances under the mortgage securing 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 all of the security for the payment hereof and to the release of any party or parties liable hereon, all without affecting the liability of the other persons, firms, or corporations liable for the payment of this Note.

Maker agrees that all expenditures by the holder hereof on account hereof other than principal, and the principal of this Note after Maturity or in the event of a default that continues for more than thirty (30) days, shall bear interest at the Default Rate set forth herein. The "Default Rate" shall be the lesser of (i) the highest rate allowed by applicable law or (ii) at a rate which is three percent per annum in excess of the highest rate specified in this Note. Amounts under this Note shall be computed based on a 360 day year (30 day months).

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 other than the premises mortgaged to secure this Note and any other collateral of a maker, endorser or guarantor now or hereafter in possession or control of holder or in transit to it. Holder may, at any time, apply the same or any part thereof to any liability of Maker even though unmaturing.

Notwithstanding anything to the contrary contained herein, Maker, and all general partners and limited partners of the Maker, shall not assume any personal liability for the repayment of this indebtedness except as provided in the Mortgage of even date herewith, which secures this Note. Holder shall look solely to the security,

deposits and credits given to secure this Note for the repayment of the indebtedness evidenced hereby.

It is agreed that in the event 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 payable in advance of the due date 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.

This Note shall be governed by and construed in accordance with the laws of the State of Connecticut.

THE MAKER, AND ANY GUARANTORS OR ENDORSERS HEREOF, HEREBY AGREE THAT THIS IS A COMMERCIAL TRANSACTION AS DEFINED IN CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES (AS IN EFFECT ON THE DATE HEREOF) AND HEREBY WAIVE ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER IN CONNECTION WITH ANY AND ALL PREJUDGMENT REMEDIES THE HOLDER HEREOF MAY BECOME ENTITLED TO BY VIRTUE OF ANY DEFAULT OR PROVISION OF THIS NOTE OR ANY OTHER SECURITY AGREEMENT SECURING THE SAME.

This Note is secured by a Mortgage Deed of even date on property known as GRISWOLD HILLS, Kitts Lane, Newington, Connecticut 06111 (the "Development"). Maker agrees to complete construction on said premises of a one hundred twenty-eight (128) unit apartment development in strict conformity with the drawings, plans and specifications now in the possession of the holder. Subject to the provisions of the Building Loan Agreement of even date herewith, the holder agrees to make advances under this Note to Maker until January 21, 1999 in installments 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 premises 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.

GRISWOLD HILLS OF NEWINGTON
LIMITED PARTNERSHIP
BY: GRISWOLD HILLS OF NEWINGTON
DEVELOPMENT CORP.
GENERAL PARTNER

BY: Marc S. Levine
Marc S. Levine
President

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