

MASTER SUBORDINATION AGREEMENT

Property Address:

365 Annum Street
Springfield, Massachusetts

This Master Subordination Agreement (this "Agreement") is made as of the 15th day of October, 2009 by and among MHIC, LLC, having an address at 70 Federal Street, Boston, Massachusetts 02110 (the "Senior Lender"); The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, 100 Cambridge Street, Suite 300, Boston, Massachusetts 02114 (the "Agent Lender"); for itself and as agent for the following lenders: The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by the Massachusetts Housing Finance Agency ("MHFA"), as Administrator, having an address at One Beacon Street, Boston, Massachusetts 02108 ("AHT"); Community Economic Development Assistance Corporation, a body politic and corporate, duly organized and existing in accordance with Chapter 40H of the Massachusetts General Laws with an office at One Center Plaza, Suite 350, Boston, Massachusetts 02108 ("CEDAC"); and the City of Springfield, Massachusetts, acting by and through its Office of Housing and Neighborhood Development, having an address at 1600 East Columbus Avenue, Springfield, Massachusetts 01103 (the "City") (the foregoing lenders, together with the Agent Lender, collectively the "Participating Lenders"); Springfield Housing Action Corporation, a Massachusetts non-profit corporation, having an address at 31 East Street, Massachusetts 02100 (the "Sponsor"); and Franconia Apartments LLC, a Massachusetts limited liability company, having an address at c/o Springfield Housing Action Corporation, 31 East Street, Springfield, Massachusetts 02100 (the "Borrower"). The Senior Lender, the Sponsor and the Participating Lenders are each referred to as a Lender and collectively are referred to as the "Lenders".

BACKGROUND

- A. The Borrower is the owner or ground lessee of certain real property and improvements thereon as more particularly described on Exhibit A (the "Property").
- B. The Borrower is obtaining financing from the Lenders to construct at the Property 36 units of housing of which not less than 36 units will be affordable housing (the "Project"), as more fully set forth in the Affordable Housing Restriction (defined below) between the Borrower and the Participating Lenders of contemporaneous date herewith.

- C.** The Senior Lender has agreed to provide a construction loan to the Borrower for the Project in the original principal amount of One Million Dollars (\$1,000,000.00) (the "Senior Loan"). The Senior Loan is evidenced and secured by the following documents, each of even date herewith: (a) a Promissory Note in the amount of the Senior Loan (the "Senior Note"), (b) a Construction Loan Agreement, (c) a first priority Mortgage and Security Agreement encumbering the Property (the "Senior Mortgage"), to be recorded with the Hampden Registry of Deeds (the "Registry"), (d) an Assignment of Leases and Rents, also to be recorded with the Registry, and (e) such other instruments as may be required by the Senior Lender (all such instruments being hereinafter collectively referred to as the "Senior Loan Documents").
- D.** The Participating Lenders have agreed to provide a shared second priority loan in the aggregate amount of \$4,110,000.00 to the Borrower for the Project comprised of the \$1,000,000.00 loan from AHT to the Borrower under the AHT Program (the "AHT Loan"), the \$690,000.00 loan from CEDAC to the Borrower under the CBH Program (the "CBH Loan"), the \$750,000.00 loan from CEDAC to the Borrower under the HIF Program (the "HIF Loan"), the \$750,000.00 loan from DHCD to the Borrower under the HOME Program (the "City Loan"), and the \$920,000.00 loan from the City to the Borrower under the HOME Program (the "City Loan"), collectively, the "Participating Lender Loan". The Participating Lender Loan is evidenced and secured by the following documents, each of even date herewith: (a) a Promissory Note in the amount of the AHT Loan, CBH Loan, HIF Loan, DHCD HOME Loan and City HOME Loan, (b) a Loan Agreement, (c) a Mortgage Security Agreement and Conditional Assignment of Leases and Rents to be recorded at the Registry encumbering the Property (the "Participating Lender Mortgage"), and (d) such other documents as may be required by the Participating Lenders (all such instruments being hereinafter collectively referred to as the "Participating Lender Loan Documents").
- E.** The Sponsor has also agreed to provide a third priority deferred development fee loan to the Borrower for the Project, in the principal amount of approximately Two Hundred Thirty Thousand Dollars (\$230,000.00) (the "Deferred Fee Loan"), which loan is evidenced by a Development Services Agreement by and between the Borrower and the Sponsor (the "Development Services Agreement"). The Sponsor has also agreed to provided a third priority loan to the Borrower for the Project, in the principal amount of Two Hundred Thousand Dollars (\$200,000.00) funded with the proceeds of an energy grant to the Sponsor (the "Energy Loan"), which is evidenced by a promissory note by the Borrower in favor of the Sponsor (the "Energy Loan Note"). The Deferred Fee Loan and the Energy Loan are collectively referred to as the "Sponsor Loan". The Sponsor Loan is secured by a Mortgage granted by the Borrower to the Sponsor (together with the Development Services Agreement and the Energy Loan Note, the "Sponsor Loan Documents"). The Participating Lenders and the Sponsor are collectively referred to as the "Junior

Lenders". The Participating Lender Loan Documents and the Sponsor Loan Documents are collectively referred to as the "Junior Loan Documents".

- F.** The Borrower has also granted to the Participating Lenders an affordable housing restriction (the "Affordable Housing Restriction"), to be recorded with the Registry, setting forth certain affordable housing restrictions, covenants and agreements with respect to the Property.
- G.** The Lenders wish to establish the relative priorities of (i) their respective notes, mortgages and assignments of rents, financing statements and agreements and the Affordable Housing Restriction with respect to the Property notwithstanding the order of recording of the Lenders' documents; (ii) their respective security interests with respect to the personal property and fixtures owned by the Borrower and used in connection with the Property; and (iii) rights arising from their respective loan documents (all the documents in the foregoing paragraphs, collectively, the "Loan Documents").

AGREEMENTS

Now, therefore, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the parties hereby mutually covenant and agree as follows:

1. LENDERS' PRIORITY.

- A.** The covenants and obligations of the Borrower under the Junior Loan Documents and the Affordable Housing Restriction shall be subordinate in all respects, including, without limitation, payment, lien and bankruptcy, to the covenants and obligations of the Borrower under the Senior Note and the Senior Loan Documents, subject to the terms of this Agreement. The Junior Loan Documents and the Affordable Housing Restriction and the liens created thereunder shall be subject and subordinate (i) to the lien created by, as well as to all of the terms, covenants and conditions contained in, each of the Senior Loan Documents; and (ii) to any and all advances secured by the Senior Loan Documents, whether prior to or subsequent to the execution and recording of the Junior Loan Documents, Affordable Housing Restriction, or of this Agreement, including, without limitation, any and all increases therein made or incurred with respect to principal (but only if such increases are made in accordance with this Agreement), interest and other charges payable to the Senior Lender and secured by the Senior Loan Documents or to preserve the Property or the priority of the lien of the Senior Mortgage, or the collection of any indebtedness secured by the Senior Loan Documents (all of the foregoing clauses (i) and (ii) are collectively referred to as the "Senior Debt"). In case of any inconsistency between the provisions of this Agreement and the provisions of the Loan Documents, the provisions of this Agreement shall

govern.

B. Notwithstanding the order in which the various mortgages and documents evidencing the security interests granted by the Borrower to the Lenders have been or are hereafter recorded and/or perfected the order of priority of the Loan Documents and the obligations secured thereby is and shall be:

First: Senior Lender
Second: Participating Lenders
Third: Sponsor

C. The Junior Lenders each agree that the Affordable Housing Restriction is senior to the Junior Loan Documents, but subordinate to the Senior Loan Documents; provided, however, that the Senior Lender agrees that the Affordable Housing Restriction shall not terminate if the Property is acquired through foreclosure or by deed in lieu of foreclosure by (i) the Borrower, (ii) any person with a direct or indirect financial interest in the Borrower, (iii) any person related to a person described in clause (ii) by blood, adoption or marriage, (iv) any person who is or at any time was a business associate of a person described in clause (ii), and (v) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). For the purposes of this paragraph, an affidavit, duly recorded and executed under the penalties of perjury, by any purchaser from the Senior Lender at a foreclosure sale or by deed in lieu of foreclosure, stating that such purchaser is not a Related Party and further that (x) such purchaser has notified the Participating Lenders, in writing, of the identity of such purchaser, and its organizational structure and ultimate beneficial owners on HUD Form 2530 or its equivalent, if applicable, (y) a period of at least thirty (30) days has elapsed since such notice was given, and (z) the Senior Lender has not notified such purchaser that it has received written notice from the Participating Lenders that any of them has actual knowledge such purchaser is a Related Party, shall be conclusive evidence that such purchaser is not a Related Party, unless the Senior Lender itself has knowledge that such purchaser is a Related Party. Furthermore, if the Property is subsequently acquired by a Related Party during the period in which the Affordable Housing Restriction would have remained in effect but for the provisions of this Section, the Affordable Housing Restriction shall be revived and shall apply to the Property as though no lapse had occurred.

D. Each of the Lenders agrees that notwithstanding any provision to the contrary herein, the Affordable Housing Restriction shall terminate only to the extent it is "financially infeasible" (as defined the Affordable Housing Restriction) to maintain the level of affordability required by the Affordable Housing Restriction or some lesser level of affordability. Financial infeasibility shall be determined by the Senior Lender in its sole discretion, which determination shall be made by the Senior Lender during and in the context of the Senior Lender Standstill Period provided for in Section 4 below, provided, further that the Senior Lender may modify or change such determination from

time to time both during and after the Senior Lender Standstill Period, and the Senior Lender shall promptly give written notice of such determination and any modification or change of such determination to the holders of the Affordable Housing Restriction. "Financially infeasible" shall mean (i) with respect to the operation of the Property, that the rent and other income from the Property is, or is reasonable projected to be, less than the reasonable expenses required (or reasonably projected to be required) to maintain and operate the Property and (ii) with respect to a sale of the Property, that the restrictions would prevent (or be reasonably projected to prevent) the Senior Lender from recovering all amounts due and owing with respect to its financing of the Property, including without limitation, principal, interest, charges, costs, expenses, late fees and prepayment premiums. With respect to the determination of financial infeasibility by the Senior Lender, a duly executed affidavit setting forth its determination of financial infeasibility shall be conclusive evidence of such determination.

E. Each of the Lenders agrees that, notwithstanding any provision to the contrary in the Loan Documents granted to it, the Affordable Housing Restriction and the Loan Documents of the other Lenders shall be a permitted encumbrance or permitted exception under its respective Loan Documents.

F. All Lenders will each make reasonable efforts to consult with the other Lenders as to matters affecting their rights as lien holders, except that no other Lender shall have any obligation to consult with the Sponsor as to any matter concerning which, in its sole judgment, the Sponsor may have a conflict of interest as sponsor of the Project.

G. The parties hereto agree to execute, deliver and record such instruments as may be reasonably necessary or desirable to evidence or effectuate the provisions of this Agreement.

2. INSURANCE PROCEEDS/CONDEMNATION AWARDS/TAX AND INSURANCE ESCROWS AND RESERVES.

Each Junior Lender, its successors or assigns or any other legal holder of the Junior Lenders' mortgages, hereby agrees to and does subordinate unto the legal holder(s) of the Senior Mortgage:

A. All of its right, title, interest or claim, if any, up to the amount of the Senior Debt, in and to the proceeds of all policies of insurance covering the Property, for application towards the restoration of the Property (if all conditions precedent thereto under the Senior Loan Documents are met) or to the indebtedness secured thereby;

B. All of its right, title and interest or claim, if any, up to the amount of the Senior Debt, in and to all awards or other compensation made for any taking of any part of the Property, for application toward the restoration of the Property (if all conditions precedent thereto under the Senior Loan Documents are met) or to the indebtedness secured thereby; and

C. All of its right, title and interest or claim, if any, up to the amount of the

Senior Debt, in and to any and all sums in tax and insurance escrows and reserve accounts held for or in the name of the Borrower respecting the Property, for application toward the purposes for which such reserves or escrows were collected; provided that the same shall be applied in all cases in accordance with the provisions of the Senior Loan Documents.

Notwithstanding any provision to the contrary in the Senior Loan Documents, the Senior Lender hereby agrees that in the event of a casualty or condemnation affecting the Property, the Senior Lender shall consent to the application of any insurance proceeds or condemnation awards to the restoration of the Property if all of the following conditions are met: (i) sufficient insurance proceeds or condemnation awards are available and/or the Borrower deposits with the Senior Lender sufficient funds to pay the entire cost of repair, restoration, rebuilding or replacement as estimated by the Borrower and approved by the Senior Lender, such approval not to be unreasonably withheld; (ii) the Senior Lender approves in advance plans and schedule for such repair, restoration, rebuilding or replacement, such approval not to be unreasonably withheld; and (iii) the insurance proceeds or condemnation awards, together with the Borrower's additional funds, if any, are held by the Senior Lender and disbursed pursuant to customary construction disbursement procedures as work is completed. In the event that, following the application and disposition of the insurance proceeds and condemnation award and other funds in accordance with the above, any balance remains, then such excess shall be made payable to the Junior Lenders in the order and manner set forth in Section 1B hereof and/or to such other persons legally entitled to the same.

3. DEFAULT AND FORECLOSURE. So long as any indebtedness to more than one Lender remains outstanding, each Lender shall provide to all other Lenders written notice of any "Event of Default" as defined in the applicable loan documents of such Lender except that no such notice shall be required to be given by the other Lenders to the Sponsor.

No Junior Lender shall commence any proceeding to foreclose its respective mortgage, whether by sale, possession or otherwise, or to accept any assignment or transfer in lieu of foreclosure or exercise any rights against any guarantor unless there has been an "Event of Default" as defined in its respective Loan Documents, and then not without first providing the Senior Lender and the other Lenders (except the Sponsor) with written notice of any such Junior Lender's intent to commence such proceedings or to take such action and a reasonable opportunity, not less than sixty (60) days after receipt of such notice, to attempt to structure a work-out or other arrangement to avoid such foreclosure, assignment, transfer, or exercise of rights to the reasonable satisfaction of such Junior Lender. If, upon expiration of the foregoing sixty (60)-day period, the Lenders (other than the Sponsor) have not agreed upon a work-out or other arrangement to avoid foreclosure, assignment, transfer or exercise of rights and such Junior Lender intends to take possession of the Project, such Junior Lender shall first provide to the Senior Lender for its review and approval a plan for the completion and operation of the Project, such approval not to be unreasonably withheld. Senior Lender agrees to respond to such plan within fourteen (14) days of receipt. Notwithstanding the foregoing, if the Senior Lender

elects by notice to the Junior Lenders and is diligently proceeding to either cure the "Event of Default" under such Junior Lender's Loan Documents or foreclose its mortgage, such Junior Lender shall suspend any and all action to foreclose its mortgage. Notwithstanding the other provisions of this Section 4, the Sponsor shall not commence any proceeding to foreclose its mortgage, whether in the event of default or upon maturity, and whether by sale, possession, or otherwise or accept any assignment or transfer in lieu of foreclosure without the written consent of the other Lenders, which consent may be withheld in their sole discretion.

The Senior Lender shall not commence any proceeding to foreclose the Senior Mortgage whether by sale, possession or otherwise or accept any assignment or transfer in place of foreclosure unless there has been an "Event of Default" as defined in the Senior Mortgage or in the Senior Loan Documents, and then not without first providing the Junior Lenders (except the Sponsor) with written notice of the Senior Lender's intent to commence such proceedings or to take such action and a reasonable opportunity, not less than sixty (60) days after receipt of such notice (the "Senior Lender Standstill Period"), to attempt to structure a work-out or other arrangement to avoid such foreclosure, assignment or transfer, to the reasonable satisfaction of the Senior Lender. Nothing contained in this paragraph shall limit the rights of the Senior Lender to exercise rights and remedies under its Loan Documents within the Senior Lender Standstill Period, other than the commencement of any proceedings to foreclose the Senior Mortgage, whether by sale, possession or otherwise, or the acceptance of an assignment or transfer in lieu of foreclosure.

In the event Senior Lender conducts a foreclosure or other proceeding to enforce its rights under the Senior Mortgage and terminates the Affordable Housing Restriction in whole or in part and the Property is sold for a price in excess of the sum of the outstanding principal balances of all notes secured by mortgages on the Property plus all future advances, accrued interest and all reasonable costs and expenses which the Senior Lender is entitled to recover pursuant to the terms of the Senior Mortgage, such excess shall be paid to the Participating Lenders and to the Sponsor (in the manner set forth in Section 2B. above) in consideration of the loss of the value and benefit of the rights and restrictions contained in the Affordable Housing Restriction and terminated in connection with such proceeding, provided, however, that prior to the payment of such excess by the Senior Lender to the Participating Lenders and to the Sponsor, the Participating Lenders and to the Sponsor shall indemnify and hold harmless the Senior Lender, as the case may be, from and against any loss, cost or damage that it may suffer as a result of a claim made on account of the payment of such excess to the Participating Lenders and to the Sponsor, the Senior Lender agreeing to give the Participating Lenders prompt notice of any such claim and agreeing not to object to the intervention by the Participating Lenders or the Sponsor in any proceeding relating thereto. To the extent that the Borrower possesses any interest in any amount which would otherwise be payable to the Participating Lenders or to the Sponsor under this paragraph, to the full extent permissible by law, the Borrower hereby assigns its interest in such amount to the Participating Lenders and to the Sponsor.

No provision hereof shall be construed to limit the right of any of the Participating Lenders

to take action against the Borrower to enforce any of the Affordable Housing Restriction (such as, but not limited to, injunctive relief), provided that such action shall not include acting as mortgagee in possession, accepting a deed in lieu of foreclosure, or commencing foreclosure proceedings, or in any other way affecting the priority of payments due to the Senior Lender or the collateral granted to it as security, except in accordance with the provisions of this Agreement.

Each Junior Lender agrees that its Junior Loan Documents shall not include provisions pursuant to which a default or Event of Default would arise thereunder solely by reason of a default or Event of Default occurring under a loan from such Junior Lender to the Borrower that is unrelated to the acquisition, development or operation of the Property and is not secured by the Property (a "Cross-Default Provision") and if any Cross-Default Provision is included in such junior lender's Junior Loan Documents, such Cross-Default Provision shall be null and void.

The Senior Lender agrees that if a default or Event of Default arises under the Senior Loan Documents solely because of a breach of a Cross-Default Provision, unless and until an independent default or Event of Default arises under the Senior Loan Documents (that is, as a result of a breach of covenant, warranty or representation other than a Cross-Default Provision), the Senior Lender shall (i) use reasonable efforts to notify the Junior Lenders of the breach of the Cross-Default Provision and (ii) refrain from exercising any remedy under the Senior Loan Documents on account of such default or Event of Default unless all of the Junior Lenders have consented in writing to such exercise, such consent not to be unreasonably withheld or delayed.

4. LOAN INCREASES. The Junior Lenders agree that if (i) an Event of Default has occurred under the Senior Note and the Senior Lender elects to convert unpaid and unaccrued interest under the Senior Note to additional principal due thereunder; or (ii) the Senior Lender has reasonably determined that it is necessary to advance additional funds to make reasonably necessary repairs or to prevent the occurrence of serious physical harm to the Property; (iii) the Senior Lender has reasonably incurred expenses to protect its interest in the Property, and as a result after notice to the other Lenders, the Senior Lender increases the amount of the Senior Loan by such amount(s), the Junior Lenders will execute such additional documents as the Senior Lender deems reasonably necessary to be assured that the Junior Loan Documents and the Borrower's obligations thereunder are subordinate to the Senior Loan Documents as they may be increased and/or amended for purposes set forth herein.

Similarly, the Junior Lenders agree that if a Junior Lender (other than the Sponsor) increases the amount of its loan for any of the above-described reasons, the other Junior Lenders will execute such additional documents as may be reasonably necessary to ensure that the Participating Lender Loan Documents remain *pari passu* after such increase, and that the Sponsor Loan Documents remain subordinate to the Participating Lender Loan Documents, as they may be increased and/or amended for purposes set forth herein.

5. SUBORDINATION OF PAYMENTS. The Junior Lenders agree that, except upon the maturity date of any Junior Loan (other than the Sponsor Loan) and except for certain required repayments from Excess Principal Advances (as defined in the Promissory Note

evidencing the AHT Loan) or from Gross Cash Receipts (as defined in the Promissory Notes evidencing the CBH Loan and HIF Loan), no payments, prepayments or other distributions will be paid or payable under the terms of the Junior Loan Documents from the income of the Borrower and/or the Property unless at the time of such payment, prepayment or distribution, the income generated by the Borrower and/or the Property, as demonstrated by the Borrower's audited or certified financial statements, is sufficient to pay in a timely manner (i) all operating expenses necessary to operate properly the Property in accordance with the approved budget, (ii) required contributions to reserves for replacements under the Senior Loan Documents or the Loan Documents of any Lender equal in priority, and (iii) all amounts due and payable under the Senior Loan Documents. The Sponsor further agrees that it shall receive only payments from the Borrower which are due under the Development Services Agreement approved by the other Lenders in accordance with its terms, and under no circumstances will the Sponsor accept a prepayment from the Borrower. Upon the occurrence of an Event of Default under the Senior Loan Documents, as determined by the Senior Lender and as set forth in writing to the Junior Lenders, no payments will be accepted under the Junior Loan Documents without the prior written consent of the Senior Lender, subject to Section 4 hereof. In the event the Junior Lenders receive any payments or other distributions of any kind from the Borrower or from any source whatsoever in respect to the Junior Loan Documents after receipt of notice of such an Event of Default, other than as permitted above, such payments or other distributions shall be received in trust and the Junior Lenders receiving such payments or distributions shall make all good faith efforts to see that such payments or distributions are promptly forwarded to the Senior Lender. Upon the occurrence of an Event of Default under the Participating Lender Loan Documents, as determined by such Lender(s) and as set forth in writing to the Sponsor, no payments will be accepted under the Sponsor Loan without prior written consent of such Lender(s).

6. LENDER AMENDMENTS. Except as otherwise provided in Section 6 herein, no Junior Lender shall modify or amend its respective Loan Documents in any material manner without the prior written consent of the Senior Lender and the Participating Lenders, which consents shall not be unreasonably withheld or delayed. The Senior Loan Documents shall not be modified or amended in a material manner that adversely affects the Junior Lenders' interests without the prior written consents of the Junior Lenders, which consents shall not be unreasonably withheld or delayed.

7. BANKRUPTCY. No Junior Lender shall, without the prior written consent of the Senior Lender and the Participating Lenders, commence or join with any other creditor in commencing any bankruptcy, reorganization or insolvency proceedings with respect to the Borrower.

8. ASSIGNMENT TO MHP. The parties hereto acknowledge and agree that the Senior Lender has entered into an agreement pursuant to which the Senior Lender intends to assign the Senior Loan to Massachusetts Housing Partnership Fund Board ("MHP") by its endorsement of the Senior Note to the order of MHP and the assignment of the other Senior Loan Documents to MHP (the "Assignment"). At the time of the Assignment, MHP shall succeed to the rights and priorities of the Senior Lender under this Agreement. Also, at the time of the Assignment, MHP shall become a "Holder" as such term is defined in the

Affordable Housing Restriction in its capacity as Senior Lender and Affordable Housing Restriction shall thereafter be considered a Senior Loan Document. The Affordable Housing Restriction shall thereafter be senior to the Senior Mortgage in accordance with the provisions of Section 19.D. of the Affordable Housing Restriction. The Participating Lenders, and the Sponsor agree that, effective as of the Assignment, the Junior Loan Documents (if not discharged as of the date of the Assignment) are and shall be subject to the terms of this Agreement, subordinate to the Senior Loan Documents to the same extent as if the Senior Loan Documents had been executed, delivered and recorded, as applicable, prior to the execution, recording and delivery of the Junior Loan Documents. The Participating Lenders, and the Sponsor agree to execute, acknowledge and deliver to MHP such additional assurances of the subordination of each of the Participating Lender Loan Documents and the Sponsor Loan Documents to the Senior Loan Documents, as MHP may require, provided they are consistent with the terms of this Agreement.

9. NOTICES. Except for any notice required under applicable law to be given in a different manner, any notice, request or other communication which any party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered, if sent by recognized overnight courier, receipt confirmed, or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the parties at their respective addresses first set forth above, or to such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by certified or registered mail shall be deemed given three days after mailing; a notice sent by overnight courier shall be deemed given one day after deposit with such courier; and a notice delivered by hand shall be deemed given upon documented receipt or refusal.

10. Termination of Agreement. The relative priorities of each Lender, as set forth herein, and the rights of each Lender, as provided hereunder, are applicable and available to that Lender only until the repayment of the obligations of the Borrower to that Lender which are subject to this Agreement and the expiration of the provisions of the Affordable Housing Restriction granted for the benefit of such Lender. Upon the repayment in full of such obligations and expiration of such Affordable Housing Restriction, that Lender shall no longer be a party hereunder, and the various relative priorities included above shall be deemed amended by the deletion of that (former) Lender herefrom, except that in the event that such (former) Lender is required, pursuant to Section 547 of the Bankruptcy Reform Act of 1978 or a successor provision, to repay any amount paid to that (former) Lender by the Borrower in satisfaction of such liabilities, then such Lender shall be deemed a party hereto entitled to all benefits hereunder to the extent that the proceeds of the collateral are thereafter distributed pursuant hereto.

11. LOAN Disbursements. Each Lender may advance the proceeds of its loan in accordance with the applicable provisions of its Loan Documents and its customary requisition procedures. Notwithstanding the foregoing, the Lenders shall cooperate in making disbursements to the Borrower by using the AIA requisition forms or other common requisition forms acceptable to the Lenders and by sharing all information derived from construction progress inspections, subject to the provisions of any separate

disbursement agreement among the Lenders, or any of them.

12. MISCELLANEOUS. This Agreement shall be governed by the laws of The Commonwealth of Massachusetts and shall inure to the benefit of, and be binding upon, the undersigned and their respective successors and assigns. The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the parties and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Lenders or any of them. This Agreement shall remain in effect so long as the Loan Documents given to at least two Lenders hereunder remain outstanding. Nothing contained herein is intended to or shall impair the obligations of the Borrower to any Lender or to make the Borrower a third party beneficiary hereof, and no violation of any of the provisions hereof by any Lender shall constitute a defense for, or confer any other rights upon, the Borrower. Except as otherwise expressly provided herein, the rights of the parties to enforce the provisions of this Agreement shall not at any time be prejudiced or impaired (i) by any act or failure to act on the part of any of the parties, including, without limitation, any forbearance, waiver, consent, compromise, amendment, extension or renewal with respect to the Borrower's obligations to a party or any taking or release of or failure to protect or preserve any property of the Borrower, or (ii) by noncompliance by the Borrower with the terms of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

REMAINDER OF PAGE INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as a sealed instrument under Massachusetts law, as of the date and year first above written.

SENIOR LENDER:
MHIC, LLC

By:

Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this 15th day of October, 2009, before me, the undersigned notary public, personally appeared _____, the _____ of MHIC, LLC, proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public
My commission expires:

AGENT LENDER:

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

By:

Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this 15th day of October, 2009, before me, the undersigned notary public, personally appeared _____, the _____ of The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public
My commission expires:

SPONSOR:
SPRINGFIELD HOUSING ACTION CORPORATION

By:

Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this 15th day of October, 2009, before me, the undersigned notary public, personally appeared _____, the _____ of Springfield Housing Action Corporation, proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public
My commission expires:

BORROWER:
FRANCONIA APARTMENTS LLC

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

By: _____
Elsie Borden
Its: President

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this 15th day of October, 2009, before me, the undersigned notary public, personally appeared Elsie Borden, the President of Franconia Apartments MM, Inc., proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public
My commission expires:

EXHIBIT A: LEGAL DESCRIPTION