

pursuant to which Ground Lease the Authority has leased the Land and transferred the ownership of the Project to the Borrower for a term of ninety (90) years; and

**WHEREAS**, in order to comply with the Code and the Treasury Regulations, the Borrower hereby subjects the Land and the Project to the terms of this Agreement.

**NOW, THEREFORE**, in consideration of issuance of the Bonds by the Authority and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Borrower agree and declare as follows:

**SECTION 1. Definitions.** When used in this Agreement, the terms defined in this Section 1 shall have the meanings set forth below. All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

"Act" means Chapter 128 of the Connecticut General Statutes, Sections 8-38 through 8-119y, as the same may be amended from time to time.

"Adjusted Income" means the anticipated total annual income of the individual or family for the Certification Year, determined in accordance with the criteria prescribed by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended, and as set forth in the Income Certification of each Tenant who proposes to live in a Unit after the beginning of the Certification Year and who is considered an occupant of the Unit by the Secretary of Housing and Urban Development. Such determination is not affected by income earned or received during the Certification Year which is not included in the Income Certification.

"Agreement" means this Land Use Restriction Agreement by and between the Authority and the Borrower.

"Area" means the Metropolitan Statistical Area or Authority, as applicable, in which the Project is located, as defined by the United States Department of Housing and Urban Project.

"Area Median Gross Income" means income determined by the Secretary of the Treasury in a manner consistent with determinations under Section 8 of the United States Housing Act of 1937, as amended, including adjustments for family size.

"Authority" means the Housing Authority of the Town of New Canaan.

"Available Units" means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Notes, is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

"Bond Counsel" means Robinson & Cole LLP, Hartford, Connecticut, or such other independent legal counsel which may be approved by the Authority and whose opinions are regularly and generally accepted nationally in the field of municipal finance.

"Bonds" means the \$3,050,000 Housing Authority of the Town of New Canaan Multifamily Housing Revenue Bonds (Millport Phase II Project), Series 2017A and the \$3,900,000 Housing Authority of the Town of New Canaan Multifamily Housing Revenue Bonds (Millport Phase II Project), Series 2017B, issued for application by the Borrower to finance the demolition, construction, renovation, acquisition and equipping, and furnishing of the Project.

"Bondholder" means any person who is or was at any time the registered owner of one or more of the Bonds.

"Borrower" means Millport Phase II Limited Partnership, a Connecticut limited partnership with its principal place of business located at c/o the Housing Authority of the Town of New Canaan, 57 Millport Avenue, New Canaan, Connecticut 06840, and its successors and assigns, and shall also mean each of the Borrower's successors in title to the Project.

"Building" means each of the structures to be owned by the Borrower and to be constructed, and comprising the Project in New Canaan, Connecticut, consisting of an independent foundation, outer walls and a roof for 3 buildings, all of which contain in the aggregate 40 Units.

"Business Day" means any day other than a Saturday or a Sunday or a day on which national banking institutions in the State of Connecticut are authorized or obligated by law or executive order to be closed.

"Certification Year" means the twelve (12) month period beginning on the later of (a) the date the Unit is first placed in service or (b) the date on which the person first occupies the Unit on a rental basis or signs a lease with respect to the Unit, whichever occurs first.

"Code" means the Internal Revenue Code of 1986, as amended, each reference to the Code is deemed to include (i) any successor internal revenue law and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

"Commissioner" means the Commissioner of Economic and Community Development of the State of Connecticut or any successor with jurisdiction with respect to the housing comprising the Project.

"Functionally Related and Subordinate Facilities" means property which is functionally related and subordinate to, and of a character and size commensurate with the Project, including heating and cooling equipment, trash disposal equipment, units for resident managers and maintenance personnel and facilities used by the tenants such as parking areas, common areas and other facilities.

"Gross Income" means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed under Section 8 of the Housing Act.

"Gross Rent" means the amount charged a Tenant for occupancy of a Unit for the applicable period, including any payments and any utility allowance provided under Section 8 of the United States Housing Act of 1937, as amended.

"Ground Lease" shall have the meaning ascribed to such term in the Recitals above.

"Housing Act" means Section 8 of the United States Housing Act of 1937, as amended, and the regulations thereunder.

"HUD" means the United States Department of Housing and Urban Development.

"Income Certification" means a Tenant Income Certification and a Tenant Income Certification Questionnaire in a form acceptable to the Authority or as otherwise approved by the Authority.

"Land" means the tract of real property described in Exhibit A attached hereto.

"Loan Agreement" means the Loan Agreement, dated as of May 1, 2017, by and among the Authority, the Borrower, and the Purchaser pursuant to which the Authority shall loan the proceeds of the Bonds to the Borrower.

"Low Income" means Adjusted Income which is fifty percent (50%) or less of Area Median Gross Income, determined at least annually on the basis of the current Adjusted Income of the Qualified Tenant.

"Moderate Income" means Adjusted Income which is 60% or less of Area Median Gross Income, determined at least annually on the basis of the current Adjusted Income of the Qualified Tenant.

"Monitoring Agent" means the Authority or such other person who may be subsequently designated by the Authority to receive and review the documents and certificates to be delivered by the Borrower or person occupying a Unit in the Project pursuant to Section 2.2 hereof, and to perform such audits of the operation of the Project as the Authority may require. Such person shall be knowledgeable and experienced in performing the functions required to be performed by the Monitoring Agent hereunder.

"Mortgage Documents" means the Open-End Construction Leasehold Multifamily Mortgage, Assignment of Leases, Security Agreement, and Fixture Financing Statement, UCC-1 Financing Statement, the Easement Agreement dated as May 26, 2017, by and among the Authority, NCHA Mill Apartments Limited Partnership, Millport Phase I Limited Partnership and the Borrower (the "Easement Agreement"), Assignment of Plans, Specifications, Borrowers Rights and Agreement, the Assignment of Permits, Licenses, Approvals and Contracts delivered from the Borrower to the Purchaser in connection with the issuance of the Bonds.

"Note" means the Note or Notes made and delivered by the Borrower and payable to the order of the Authority in the original principal amount of \$6,950,000 and evidenced by the Bonds.

"Person" means any entity, whether an individual, trustee, association, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, joint stock company, joint venture, trust, estate, unincorporated organization, firm, or government or any agency or political subdivision thereof.

"Project" means the Land, the Building and the Functionally Related and Subordinate Facilities, which are to be used on other than a transient basis by members of the general public as a Qualified Residential Rental Project.

"Qualified Project Period" means the period beginning on the first day on which 10% of the Units in the Project are occupied and ending on the later of: (1) the date which is thirty (30) years after the date on which 50% of the Units in the Project are occupied, (2) the first day on which no tax exempt private activity

bond issued with respect to such Project is outstanding, or (3) the date on which any assistance provided with respect to the Project under the Housing Act terminates.

“Qualified Tenant” means a Tenant of Moderate Income. If a Qualified Tenant was a Qualified Tenant upon the commencement of occupancy of a Unit, such Qualified Tenant shall continue to be considered a Qualified Tenant unless: (1) the Adjusted Income of such Qualified Tenant as of the most recent determination exceeds 140% of the applicable percentage of Area Median Gross Income for such Qualified Tenant and after such determination and prior to the next such determination, any Unit of comparable or smaller size in the Project is occupied by new resident whose Adjusted Income exceeds 60% of Area Median Gross Income.

“Qualified Residential Rental Project” means a residential rental housing project that meets the requirements of Section 142(d) of the Code, applicable Treasury Regulations and this Agreement.

“Related Person” means: (a) Persons having a relationship which would result in a disallowance of losses under Section 267 or 707(b) of the Code, and (b) Persons which are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code except that “more than 50%” shall be substituted for “at least 80%” in each place in which it appears in Section 1563(a)).

“Rental Term” and “Term” means the period commencing on the date of issuance of the Bonds and ending at 11:59 p.m. on May 1, 2054.

“State” means the State of Connecticut.

“Student” means an individual who during each of five calendar months during the calendar year in which the taxable year of the individual begins is either: (a) a full-time student at an educational organization described in Section 170(b)(1)(A)(ii) of the Code; or (b) is pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in Section 170(b)(1)(A)(ii) of the Code or of a State or political subdivision thereof, or as such term shall be revised and redefined by subsequent regulations or other authority for purposes of federal income taxation.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated as of May 26, 2017, by and between the Authority and the Borrower, as the same may be amended from time to time.

“Tenant” means individuals or families (two or more persons related by blood, marriage, operation of law or deemed to occupy the Unit by the Secretary of Housing and Urban Development) other than individuals all of which are Students and no one of which is entitled to file a joint return under Section 6013 of the Code occupying a Unit.

“Treasury Regulations” means Income Tax Regulations promulgated under Code Sections 42, 103, or 141 through 150 by the Department of the Treasury from time to time.

“Unit” means an accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located in the Project.

## Section 2. Covenants and Agreements.

2.1 Qualified Residential Rental Project. The Borrower hereby declares its understanding and intent and covenants and agrees with the Authority and the Bondholders, and for the benefit of the

Commissioner on behalf of the State, that the Project is to be owned, managed and operated on a continuous basis for the full Rental Term hereof as a Qualified Residential Rental Project. To that end, the Borrower hereby declares, represents, warrants, covenants and agrees, for the full Rental Term with respect to the Project, as follows:

(a) The Project shall be acquired, constructed and equipped for the purpose of providing a Qualified Residential Rental Project, and the Borrower shall own, manage and operate the Project as a Qualified Residential Rental Project comprised of Units and Functionally Related and Subordinate Facilities thereto, in accordance with Section 142(d) of the Code.

(b) All Buildings in the Project shall be located on the Land or be "proximate" to Buildings located on the Land (within the meaning of such term in Treasury Regulations Section 1.103-8(b)(4)(ii)).

(c) Each Building contains and shall contain one or more "similarly constructed" Units (within the meaning of Treasury Regulations Section 1.103-8(b)(4)(i)).

(d) None of the Units shall at any time be utilized on a transient basis, none of the Units shall be occupied at any time except in accordance with a written lease, none of the Units shall ever be leased or rented for a period of less than thirty (30) days, and neither the Project nor any portion thereof shall ever be used as a hotel (other than for purposes of temporary relocation of Unit occupants during rehabilitation or renovation), motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, rest home or trailer park or court.

(e) All of the Units shall be rented or available for rental on a continuous basis to members of the general public, and the Borrower shall not give preference in renting Units to any particular class or group of persons or otherwise discriminate against any person or group of persons on the grounds of race, color, religious creed, gender, age, marital status, sexual orientation, national origin, mental retardation or physical disability except as may be required in order to comply with the restrictions contained in Section 2.2 hereof. Notwithstanding the foregoing, to the extent permitted by applicable law, the Borrower may give preference in renting Units to (i) current Tenants of the Authority being relocated to accommodate the redevelopment or renovation of any other Authority owned, sponsored, or operated residential rental projects; (ii) eligible employees of the Town of New Canaan, Connecticut; and (iii) eligible Tenants qualifying for a preference under a policy adopted by the Authority and approved by HUD.

(f) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Borrower may obtain final map approval and the Final Subdivision Public Report from the Connecticut Department of Real Estate and may file a condominium plan with the Town).

(g) Any Building which contains fewer than five Units will not have a Unit occupied by the Borrower or a Related Person to the Borrower.

(h) The entire Project shall be owned for Federal tax purposes at all times by one Person.

(i) During the Qualified Project Period, the Borrower will comply with all of the provisions of the Tax Regulatory Agreement, the terms and provisions of which are hereby incorporated herein by reference. A violation of any covenant, agreement or restriction of the Tax Regulatory Agreement shall be considered a violation of the restrictions, covenants and provisions hereof and subject to Section 4.1 hereof.

Land Use Restriction Agreement  
Millport Phase II Project

2.2 Rental of Units. In order to satisfy the requirement of Section 142(d) of the Code, the Borrower hereby represents, warrants, covenants and agrees:

(a) For the first forty-two (42) years of the Rental Term ("Initial Term") hereof with respect to the Project as follows:

(i) None of the Units shall be made available for occupancy at or below Gross Rent to Qualified Tenants of Low Income; and

(ii) One hundred percent (100%) of the Units (40) shall be made available for occupancy at or below Gross Rent to Qualified Tenants of Moderate Income.

(b) For the remainder of Rental Term hereof with respect to the Project, one hundred percent (100%) of the Units (40) shall be made available for occupancy at or below Gross Rent to Qualified Tenants of Moderate Income.

(c) Units occupied by each type of Qualified Tenant shall include a reasonably proportionate mixture of the various room sizes (e.g., one, two and three bedroom, etc.) which comprise the Project.

(d) The Units shall have substantially the same equipment and amenities.

(e) The Borrower will at all times during the Term rent or lease the Units in accordance with the requirements of Section 2.2(a) or 2.2(b), as the case may be.

(f) If, at any time the Borrower is unable to rent or lease any Unit in compliance with Section 2.2(a) or 2.2(b), as the case may be, it will hold such unrented Unit vacant and continue to offer it for occupancy until it can be rented in compliance with Section 2.2(a) or 2.2(b).

(g) Before entering into a lease with any Tenant covering a Unit and before permitting any Tenant to occupy any Unit (including, without limitation, occupancy under a lease or a sublease or as a guest in such a Unit for more than thirty days), the Borrower will obtain from each such Tenant an Income Certification. On or before each anniversary date of each Qualified Tenant's first day of occupancy of a Unit, the Borrower shall obtain from such Tenant a new Income Certification. The Borrower shall maintain all such Income Certifications on file for at least three (3) years after the expiration of the Rental Term. Within three (3) Business Days of the end of each month during the Rental Term, the Borrower will deliver a copy of each Income Certification received during such month to the Monitoring Agent.

2.3 Warranties and Covenants with Respect to the Bonds. The Borrower covenants that it will take such action or actions (except actions prohibited by HUD pursuant to the Housing Act), including consenting and agreeing to amendments to this Agreement, the Loan Agreement, the Tax Regulatory Agreement, the Mortgage Documents, the Note and any other documents as may be necessary, in the opinion of Bond Counsel, so that the Borrower, all subsequent owners of the Project and the Project comply fully with, or will come into full compliance with, the Act, Section 103 and related Sections of the Code applicable to the Project, and all applicable rulings, policies, procedures, or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service in order to ensure that the interest on the Bonds is excludable from gross income for purposes of federal income taxation under the Code. The Monitoring Agent will take all action required to ensure such compliance by the Borrower.

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#### 2.4 Approval of Form of Lease and Contents of Lease.

(a) The Borrower will not enter into a lease of any Unit unless the form of such lease has been approved in writing by the Monitoring Agent. The Borrower will not permit or enter into any modification or amendment of such lease form without the prior written approval of the Monitoring Agent. Any lease for a Unit which is entered into on a form which has not been approved by the Monitoring Agent shall be voidable at the option of the Monitoring Agent whether or not the lease contains a provision to that effect.

(b) Each lease of a Unit shall contain the following:

(i) a provision to the effect that, in order to protect the exclusion from gross income of interest on the Bonds, of which each person occupying a Unit is a beneficiary, if any Tenant occupying a Unit is subsequently determined by the Borrower or the Monitoring Agent not to have been a Qualified Tenant, as the case may be, at the time occupancy of such Unit commenced, such lease shall be null and void ab initio and of no further force and effect upon the giving of written notice thereof to such Tenant by the Borrower or the Monitoring Agent, and such Tenant shall immediately vacate such Unit;

(ii) a provision to the effect that the Unit leased thereby may not be subleased without the prior written approval of the Borrower and the Monitoring Agent.

(iii) the provision: "The tenant agrees to furnish the information required by the attached Certification/Recertification of Tenant Eligibility at the commencement of occupancy of the unit, each anniversary thereof and such other times as may be requested by the Borrower, the Monitoring Agent or the Commissioner of Economic and Community Development of the State of Connecticut. The tenant agrees that the Borrower, the Monitoring Agent or the Commissioner of Economic and Community Development of the State of Connecticut may request verification of the information submitted by the tenant in such Certification of Tenant Eligibility from the tenant's employer or other source of income."

The form of the Income Certification shall be an attachment to the lease form for any Unit.

(c) The Borrower agrees that it will not approve any sublease if the effect thereof would be to permit occupancy of a Unit by a Tenant who is not a Qualified Tenant. No sublease shall in any manner permit or be contingent upon the receipt by the Tenant or the Borrower of any consideration from the sublessee other than the payment of the rent stipulated under the Tenant's lease with the Borrower.

#### 2.5 Reports and Management Review.

(a) The Borrower will prepare and submit to the Monitoring Agent, within ten (10) days after the end of each month during the Rental Term, a certificate executed by the Borrower, substantially in the form of that attached hereto as Exhibit B, certifying:

(i) each Unit in the Project which is occupied;

(ii) the last name of each Tenant of an occupied Unit;

(iii) vacant Units deemed occupied by a Qualified Tenant by virtue of being previously occupied by a Qualified Tenant and occupied Units deemed occupied by a Qualified Tenant whose actual Adjusted Income exceeds Moderate Income;

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- (iv) the number of occupants of each Unit;
- (v) the current monthly and annual Gross Rent of each Qualified Tenant;
- (vi) the percentage of occupied Units occupied by each category (i.e., Moderate Income, Low Income and Very-Low Income) of Qualified Tenant; and
- (vii) the current (A) Area Median Gross Income, (B) Moderate Income, (C) Low Income, (D) Moderate Income and Low Income adjusted for family size from one occupant to the highest number of occupants of any Unit determined in Subparagraph (iv) above.

(b) The Borrower shall maintain records regarding the Adjusted Income of each Qualified Tenant in addition to the Income Certification and shall permit representatives of the Monitoring Agent to inspect such records and Income Certifications upon three (3) Business Days written notice delivered to the Borrower by U.S. mail, overnight mail, hand delivery or facsimile.

(c) Throughout the Rental Term, the Borrower shall maintain current accounting records with respect to the acquisition and construction of the Project and its operation and maintenance once occupied by tenants. The Authority and the Purchaser, or their respective duly authorized agents, shall have the right at any time, upon three (3) Business Days written notice delivered to the Borrower by U.S. mail, overnight mail, hand delivery or facsimile, to enter upon and to examine and inspect any part of the Project and to examine such accounting records.

(d) Throughout the Rental Term, the accounting records for the Project for each fiscal year of the Borrower shall be audited by a firm of independent certified public accountants selected by the Borrower with the consent of the Authority which consent shall not be unreasonably withheld. Until the entire Project has been placed in service and is ready for occupancy, each such annual audit shall include a schedule or statement, separate from or a part of the audited financial statements, confirming the use of the proceeds of the Bonds as set forth in Section 3.3 of the Tax Regulatory Agreement in a form substantially similar to that of Schedule B to the Tax Regulatory Agreement, or such other form as the Authority and Bond Counsel shall agree upon. A copy of such annual audited financial statements shall be delivered to the Authority within ten (10) Business Days of the date of the accountant's report included in such annual audited financial statements.

(e) Throughout the Rental Term, the Borrower shall furnish the Authority for its review and comment, prior to approval, the following:

- (i) any proposed management agreements;
- (ii) any management plans for the Project;
- (iii) an operating budget not less than thirty (30) days prior to the beginning of each fiscal year of the Borrower setting forth in detail the estimated income and expenses of the Project, including separate documentation of administration expenses, operating expenses, maintenance expenses, utilities, insurance, taxes and assessments, debt service, and deposits to replacement and other reserve funds.

The Borrower shall within ten (10) business days respond in writing to any comments and recommendations of the Authority delivered to the Borrower within ten (10) business days of the Authority's receipt of said management agreements, management plans and operating budgets. Nothing contained herein shall



authorize the Authority to interfere with the Borrower or its management agent in the conduct of business on the premises, or to interfere with the tenants' rights of enjoyment of their Units.

(f) Throughout the Rental Term, until the end of the Qualified Project Period, the Borrower shall furnish the Authority with a copy of Form 8703, Annual Certification of a Residential Rental Project, and Form 8609, Low-Income Housing Credit Allocation Certification, within twenty (20) Business Days of the filing of such forms with the Internal Revenue Service.

2.6 Occupancy Threshold Certificates. The Borrower covenants and agrees that it will record a certificate in the Land Records of the Town of New Canaan, Connecticut, substantially in the form attached hereto as Exhibit C, within thirty (30) days following: (a) the date on which ten percent (10%) of the Units in the Project are occupied and (b) the date on which fifty percent (50%) of the Units in the Project are occupied.

### Section 3. Project Restrictions.

#### 3.1 Beneficiaries.

(a) The Borrower acknowledges, represents and warrants that the issuance and sale of the Bonds by the Authority and the use of the proceeds thereof are necessary to induce the Borrower to undertake the acquisition, construction and equipping of the Project and the Borrower would not complete the construction of the Project if the Bonds were not issued.

(b) The Borrower hereby acknowledges that the restrictions, covenants and provisions contained herein are necessary to ensure that the Project will be operated as a Qualified Residential Rental Project within the meaning of Section 142(d) of the Code and that the interest on the Bonds will be exempt from gross income for the holders thereof of purposes of federal income taxation under Section 103 of the Code during the Qualified Project Period. Therefore, the Borrower covenants, agrees and acknowledges that: (i) the Authority and the Bondholders are the beneficiaries of this Agreement; (ii) the Authority has relied on this Agreement in determining to issue and sell the Bonds; and (iii) each and all of the Bondholders have relied on this Agreement in determining to purchase or otherwise become the registered owner or owners of any of the Bonds.

3.2 Limitation Upon Transfer or Other Disposition of Project. During the Rental Term, until the end of the Qualified Project Period the Borrower shall not sell, convey, transfer or otherwise dispose of the Project without obtaining the prior written consent of the Authority, which consent of the Authority shall be conditioned solely upon receipt of an opinion of Bond Counsel addressed and satisfactory to the Authority that the Borrower's purchaser or transferee has assumed in full all of the Borrower's duties and obligations under this Agreement and that such sale, conveyance, transfer or other disposition shall not affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes. The provisions of the foregoing sentence shall not affect in any manner any independent right of consent of the Authority or any other party arising under any other agreement to which the Authority or the Borrower is a party, including the Ground Lease. The Borrower further agrees that any sale, conveyance, transfer or other disposition of the Project in violation hereof shall be null, void and without effect, shall cause a reversion of title to the Borrower and shall be ineffective to relieve the Borrower of its obligations under this Agreement.

It is understood and agreed by the parties hereto and the beneficiaries hereof that nothing contained in this Agreement shall prevent or limit any transferor Borrower from requiring and obtaining an agreement from the purchaser or transferee of the Project to indemnify and hold such transferor Borrower harmless

from and against all loss, liability and damages resulting from a violation of any of the covenants, restrictions or provisions hereof by such purchaser or transferee or its successors and assigns.

3.3 Covenants to Run With Land and Project. The Borrower hereby agrees with the Authority and declares that it is the express intent of the Borrower that each and all of the covenants, restrictions and provisions set forth in this Agreement shall be deemed covenants running with the Land and the Project and an equitable servitude for the benefit of the Authority, the Commissioner on behalf of the State and the Qualified Tenants until the expiration of the Term, and of the Bondholders until the end of the Qualified Project Period, and shall pass to and be binding upon all Borrower's successors in interest to the Land and title to the Project and the improvements with respect thereto and the Borrower's successors and assigns until the expiration of the Rental Term. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such restrictions, covenants and provisions, regardless of whether or not such restrictions, covenants and provisions or any reference thereto are set forth in such contract, deed or other instrument. Each and every reference to the "Authority" and "Borrower" herein shall include such parties' successors interest to the Land and title to the Project and their respective successors and assigns.

3.4 Term. The Term of this Agreement of this Agreement shall commence upon the date of issuance of the Bonds and shall end at 11:59 p.m. on May 1, 2054, notwithstanding any sooner termination expiration of the Ground Lease, it being the intention that this Agreement shall run as amended in accordance with the land for the entire Term as set forth in Section 3.3 above. The Borrower hereby agrees and acknowledges that except as amended terminated in accordance with Section 5 hereof, this Agreement and the restrictions, covenants and provisions contained herein shall be in full force and effect during the such Term.

Section 4. Remedies; Reimbursement of Expenses of Enforcement.

4.1 Remedies.

(a) In the event of a violation of, noncompliance with or default under any of the restrictions, covenants or provisions hereof during the Term, or of the Tax Regulatory Agreement during the Qualified Project Period, the Monitoring Agent, the Authority, the Commissioner, or, subject to the terms of the Loan Agreement, the Purchaser, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation, noncompliance or default, or the Monitoring Agent, the Authority or the Commissioner may institute and prosecute any proceeding at law or in equity to recover monetary damages caused by such violation, noncompliance with, or default under any of the restrictions, covenants or agreements of this Agreement. Notwithstanding the foregoing, no Bondholder shall have any right to institute or prosecute any proceeding at law or in equity in the event of a violation of, noncompliance with or default under any of the restrictions, covenants or provisions hereof unless such Bondholder shall have complied with Section 11 of the Loan Agreement.

(b) Without limiting the generality of the foregoing, the Borrower acknowledges and agrees that the remedy of specific performance shall be available to the Monitoring Agent, the Authority, or the Commissioner to enforce compliance with the restrictions, covenants and provisions contained herein, and further, that under the Loan Agreement until the end of the Qualified Project Period, the Authority and the Purchaser shall take all action necessary to assure and enforce compliance with the restrictions, covenants and provisions contained in this Agreement.

(c) Notwithstanding anything herein to the contrary, the Authority agrees that failure of the Borrower to comply with the covenants and restrictions of this Agreement will not constitute an event of default under the Note and that enforcement of this Agreement shall not result in a claim against the property subject to the Note, any proceeds of the Note, any reserve or deposit required as a part of the Note transaction, or any rents or income from the property subject to the Note.

(d) In the event that the violation, non-compliance or default results from the occupancy of any Unit by one or more persons who were not Qualified Tenants in compliance with Sections 2.2(a) or 2.2(b) at the time occupancy of the Unit commenced, the Monitoring Agent may institute and prosecute, or may cause the Borrower to institute and prosecute, an action to evict or otherwise terminate the occupancy of such Unit by such tenants, without regard to the remaining term of such lease and whether or not a provision to that effect is included in any lease of such Unit. During the occupancy of the Unit by such tenant, the Borrower shall identify another Unit in the Project, if any, which may be occupied by such tenant in compliance with Sections 2.2(a) or 2.2(b) hereof.

4.2 Reimbursement of Expenses of Enforcement. The Borrower shall reimburse the Monitoring Agent and their respective officers, employees and agents for all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by them in enforcing or attempting to enforce any of the restrictions, covenants, provisions and remedies contained herein against the Borrower.

#### Section 5. Amendments.

(a) This Agreement may not be modified, amended, changed, altered or terminated with respect to the Project during the Qualified Project Period except by a written amendment executed by the Borrower and the Authority and receipt of an opinion of Bond Counsel that such modification, amendment, change, alteration or termination will not affect the exemption of interest on the Bonds from gross income for federal income tax purposes. All amendments hereto must be in writing and recorded in the Land Records of the Town of New Canaan, Connecticut. In addition to the provisions herein controlling, the Authority may consent to and execute any such amendment only as provided in the Loan Agreement. Qualified Tenants, Bondholders, tenants, other purported beneficiaries of this Agreement or representatives of benefited persons shall not be required to consent to any amendment as herein provided, and shall be fully bound by such amendment when executed by the Borrower and the Authority without further action.

(b) This Agreement shall remain in full force and effect with respect to the Project for the Term hereof except as otherwise amended during the Qualified Project Period in accordance with an opinion of Bond Counsel to the effect that this Agreement must be amended to assure the continued exclusion of interest on the Bonds from gross income of the holders thereof for purposes of federal income taxation. Upon receipt of such an opinion, this Agreement shall be subject to amendment by the Borrower and the Authority, without any action or consent by the Bondholders. The Borrower recognizes that the issuance of the Bonds on a tax exempt basis is of material benefit to the Borrower and to the Bondholders, and that the intent of this Agreement is to ensure the continued tax exempt status of the interest on the Bonds. To that end, the Borrower agrees that it will cooperate fully with the Authority to the extent necessary, including, without limitation, effecting an amendment to this Agreement pursuant to this paragraph.

#### Section 6. Miscellaneous.

6.1 Indemnification of the Authority. The Borrower hereby covenants and agrees to indemnify, hold harmless and defend the Authority and the Monitoring Agent and their respective officers, members,

supervisors, directors, officials, agents and employees ("Indemnified Persons") from and against any and all claims, losses, costs, injuries, death, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to, reasonable attorneys' fees, litigation and court costs) directly and indirectly resulting from, arising out of, or in any way related to the enforcement of the provisions of this Agreement, or the acquisition, design, construction, rehabilitation, installation, operation, use, occupancy, maintenance or ownership of the Project. This indemnification is effective only with respect to any loss incurred by an Indemnified Person which is not due to any unlawful or grossly negligent action or omission or willful misconduct on their part.

6.2 Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed given when delivered, or when mailed by first-class mail, postage prepaid, addressed as follows:

if to the Authority to:

Housing Authority of the Town of New Canaan  
57 Millport Avenue  
New Canaan, Connecticut 06840  
Attn: Chairperson

if to the Borrower to:

Millport Phase II Limited Partnership  
57 Millport Avenue  
New Canaan, Connecticut 06840  
Attn: Millport Phase II GP Corporation

The Authority and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

6.3 Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

6.4 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

6.5 Governing Law. This Agreement shall be governed by and construed in accordance with the applicable laws of the State of Connecticut, except to the extent that the laws of the United States may prevail.

6.6 Binding Effect. This Agreement shall inure to the benefit of the Authority and the Bondholders and their respective heirs, personal representatives, successors and assigns and shall be binding upon the Borrower and its successors and assigns.

6.7 Section Headings. Section headings are for descriptive and convenience purposes only and shall not control or limit the interpretation of this Agreement as set forth in the text.

6.8 Impossibility of Performance. The Borrower acknowledges that it is the purpose and intention of this Agreement provide for the continued existence of rental housing for individuals and

families earning less than the income levels as provided herein during the Term. The parties acknowledge, however, that given the length of the Term, the covenants, restrictions and agreements set forth in this Agreement and including Section 2.2(b) may become impossible or impracticable and/or may otherwise require amendment for reasons currently not foreseeable following the Initial Term. In such event the Authority and the Borrower agree that this Agreement shall not terminate or be terminated as a result thereof but that the parties shall cooperate in good faith to amend the affected provisions of this Agreement, including Section 2.2(b) in a manner that is deemed reasonable under the circumstances. In the event that the parties are unable to reach agreement on an appropriate amendment, the matter shall be resolved by an action brought in a court of competent jurisdiction in the State of Connecticut seeking to amend this Agreement because of the impossibility or impracticality of performance; provided, however, if such an action does not lie, then the matter shall be resolved by arbitration in accordance with the provisions of American Arbitration Association. The parties acknowledge their intention that there be no conflict between the uses contemplated by the Ground Lease and those permitted by this Agreement. Accordingly, any proceeding to amend the provisions of this Agreement for the reasons set forth above shall be joined with a proceeding to similarly amend the Ground Lease pursuant to the provision of the Ground Lease which is similar to this Section.

[Signature Pages Follow]





## EXHIBIT A

LEGAL DESCRIPTION  
Millport Leasehold Parcel II

All that certain piece, parcel or tract of land, being a portion of that new consolidated parcel, comprised of portions of former Assessor Lots 630, 644 and 644A, situated in the Town of New Canaan, County of Fairfield and State of Connecticut, being a portion of Parcel 630, 35 Millport Avenue and portion of Parcel 644 and 644A 57 Millport Avenue, shown as **PHASE II (SHADED AREA) AREA=64,982+/- SQ. FT. OR 1.4918+/- AC. (LEASEHOLD PARCEL)** and designated within shaded area on a map entitled **"ALTA/NSPS LAND TITLE SURVEY (PROPERTY SURVEY) 33, 35, 41, 57 & 65 MILLPORT AVENUE DEPICTING LEASE PARCEL II PROPERTY OF HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN NEW CANAAN, CONNECTICUT"** Sheets 1 and 2 of 2, dated May 19, 2017, Scale 1"=30', made by William W. Seymour & Associates, P.C., which map is or will be filed in the Office of the Town Clerk of New Canaan, more particularly bounded and described as follows:

Beginning at a point on the division line between land now or formerly of Medical Properties (Tax Lot 622, 173 East Avenue) and land now or formerly of The Housing Authority of The Town of New Canaan, said point lying north 57° 04' 20" west a distance of 92.74 feet and north 50° 38' 00" west a distance of 5.19 feet and north 57° 58' 00" west a distance of 24.93 feet and south 62° 37' 30" west a distance of 5.07 feet and north 45° 58' 50" west a distance of 70.39 feet from the intersection of said division line with the northwesterly line of Millport Avenue and further being the intersection of the easterly line of the herein described parcel (Phase II) with the aforesaid division line;

Thence, running generally southwesterly and in a clockwise direction south 44° 01' 10" west a distance of 100.00 feet and south 45° 58' 50" east a distance of 7.29 feet and south 44° 32' 10" west a distance of 52.74 feet and south 58° 41' 20" west a distance of 115.23 feet to a point;

Thence, running generally northwesterly and continuing in a clockwise direction north 42° 37' 20" west a distance of 137.25 feet to a point on the division line between the herein described parcel (Phase II) and land now or formerly of Gray Stone Condominiums (Tax Lot 647, 52-70 Lakeview Avenue);

Thence, running generally northeasterly and northwesterly and continuing in a clockwise direction along said land now or formerly of Gray Stone Condominiums (Tax Lot 647, 52-70 Lakeview Avenue) north 46° 03' 30" east a distance of 114.08 feet and north 46° 33' 30" west a distance of 127.44 feet to a point and land now or formerly of Essex Ridge Condominium (Tax Lot 642, 164-176 Summer Street);

Thence, running generally northeasterly and continuing in a clockwise direction along said land now or formerly of Essex Ridge Condominium (Tax Lot 642, 164-176 Summer Street) and land now or formerly of Old Forge Green Condominium (Tax Lot 621, 141-161 East Avenue), each in part, north 44° 16' 00" east a distance of 66.35 feet and north 42° 59' 00" east a distance of 115.70 feet to a point, said point being the northwesterly corner of the herein described parcel (Phase II);

Thence, running generally southeasterly and continuing in a clockwise direction along said land now or formerly of Old Forge Green Condominium (Tax Lot 621, 141-161 East Avenue) south 47° 24' 00" east a distance of 86.85 feet and south 49° 20' 00" east a distance of 55.50 feet and south 56° 38' 00" east a distance of 13.25 feet to the aforesaid division line between land now or formerly Medical Properties (Tax Lot 622, 173 East Avenue) and the herein described parcel (Phase II);

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Millport Phase II Project



Thence, running generally southwesterly and southeasterly and continuing in a clockwise direction along said division line between land now or formerly of Medical Properties (Tax Lot 622, 173 East Avenue) and the herein described parcel (Phase II) south  $36^{\circ} 28' 00''$  west a distance of 46.84 feet and south  $45^{\circ} 58' 50''$  east a distance of 123.15 feet to the point of beginning.

the "**Leasehold Parcel**",

Together with the rights, provisions, terms and conditions set forth in an **Easement Agreement** by and among the Housing Authority of the Town of New Canaan, NCHA Mill Apartments Limited Partnership, Millport Phase I Limited Partnership and Millport Phase II Limited Partnership, and consented to by the State of Connecticut Department of Housing, People's United Bank, National Association, and Bankwell Bank, dated as of May 26, 2017, which will be recorded in the New Canaan Land Records.

Such easements and rights of way are shown and depicted on a map entitled "COMPILATION PLAN 33, 35, 41, 57 & 65 MILLPORT AVENUE MAP DEPICTING LEASE PARCELS PROPERTY OF THE HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, NEW CANAAN, CONNECTICUT" dated December 18, 2015, Scale 1"=30 ft., by William F. Seymour & Associates, P.C., which map is filed in the Office of the Town Clerk of New Canaan as Map #7648, as:

"**Easement Area Y**", more particularly bounded and described as follows:

Beginning at a point on the former division line between properties known as 41 & 57 Millport Avenue, said point being further described as lying north  $09^{\circ} 47' 00''$  west a distance of 126.20 feet from the intersection of said former division line between said properties known as 41 & 57 Millport Avenue with the northwesterly line of Millport Avenue;

Thence, running alternately southwesterly and northwesterly south  $78^{\circ} 16' 50''$  west a distance of 44.25 feet and north  $38^{\circ} 03' 00''$  west a distance of 83.95 feet and south  $50^{\circ} 32' 40''$  west a distance of 14.66 feet and 8.41 feet along a tangent arc curving to the right having a radius of 5.00 feet and subtending a delta or central angle of  $96^{\circ} 19' 30''$  and 51.51 feet along an arc (compound and tangent) curving to the right having a radius of 107.00 feet and subtending a delta or central angle of  $27^{\circ} 34' 57''$  and south  $84^{\circ} 15' 50''$  west a distance of 25.00 feet and north  $43^{\circ} 56' 30''$  west a distance of 29.54 feet to a point on the division line between land of Housing Authority of the Town of New Canaan and land now or formerly of Gray Stone Condominiums;

Thence, running northerly along said division line between land of Housing Authority of the Town of New Canaan and known as 57 Millport Avenue and land now or formerly of Gray Stone Condominiums north  $46^{\circ} 03' 30''$  east a distance of 27.34 feet to a point;

Thence, running southeasterly and northeasterly through said land of Housing Authority of the Town of New Canaan and known as 57 Millport Avenue south  $42^{\circ} 37' 20''$  east a distance of 137.25 feet and north  $58^{\circ} 41' 20''$  east a distance of 115.23 feet to a point on the former division line between properties known as 41 & 57 Millport Avenue;

Thence, running southwesterly along said former division line between properties known as 41 & 57 Millport Avenue south  $44^{\circ} 32' 10''$  west a distance of 62.12 feet to a point;

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Millport Phase II Project

Thence, running southeasterly and southwesterly through said land of Housing Authority of the Town of New Canaan and known as 41 Millport Avenue south  $29^{\circ}09'35''$  east a distance of 23.65 feet and south  $60^{\circ}50'25''$  west a distance of 8.32 feet to a point on the former division line between properties known as 41 & 57 Millport Avenue;

Thence, running southeasterly along said former division line between properties known as 41 & 57 Millport Avenue south  $09^{\circ}47'00''$  east a distance of 25.08 feet to the point of beginning.

And "Driveway Easement Parcel" shown and depicted as "Proposed Driveway Easement for Phase II" on a map entitled "COMPILATION PLAN 33, 35, 41, 57 & 65 MILLPORT AVENUE MAP DEPICTING DRIVEWAY EASEMENTS PROPERTY OF THE HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, NEW CANAAN, CONNECTICUT" dated December 18, 2015, Scale 1"=30 ft., Scale 1"=30 ft., by William F. Seymour & Associates, P.C., which map is filed in the Office of the Town Clerk of New Canaan as Map #7649, bounded and described as follows:

Beginning at a point on the northwesterly line of Millport Avenue, said point lying north  $78^{\circ}17'30''$  east 1.87 feet of the intersection of the former division line between properties known as 65 & 57 Millport Avenue with said northwesterly line of Millport Avenue;

Thence, running northerly and northwesterly a distance of 10.52 feet along an arc curving to the left having a radius of 30.00 feet and subtending a central or delta angle of  $20^{\circ}05'35''$  and having a chord bearing of north  $01^{\circ}39'42''$  west and north  $11^{\circ}42'30''$  west a distance of 69.75 feet and north  $38^{\circ}03'00''$  west a distance of 103.11 feet and 80.59 feet along an arc curving to the right having a radius of 131.00 feet and subtending a central or delta angle of  $35^{\circ}14'45''$  to a point;

Thence, running northeasterly along the northerly terminus of the herein described easement north  $84^{\circ}15'50''$  east a distance of 24.00 feet to a point;

Thence, running southeasterly and southerly a distance of 54.96 feet along an arc curving to the left having a radius of 107.00 feet and subtending a central or delta angle of  $29^{\circ}25'40''$  and south  $38^{\circ}03'00''$  east a distance of 120.81 feet and south  $11^{\circ}42'30''$  east a distance of 67.12 feet and 20.00 feet along an arc curving to the left having a radius of 30.00 feet and subtending a central or delta angle of  $38^{\circ}11'39''$  and having a chord bearing of south  $30^{\circ}48'19''$  east to the aforesaid northwesterly line of Millport Avenue;

Thence, running southwesterly along said northwesterly line of Millport Avenue south  $78^{\circ}17'30''$  west a distance of 32.25 feet to the point of beginning.

(hereinafter, the "Easement Parcels").

Together with the rights, provisions, terms and conditions set forth in a Ground Lease from the Housing Authority of the Town of New Canaan to Millport Phase II Limited Partnership, a Notice of which is dated as of May 26, 2017, and recorded, or to be recorded, in the New Canaan Land Records.

All of the above hereinafter referred to as the "Land".

EXHIBIT B

CERTIFICATION OF CONTINUING COMPLIANCE

I. UNIT OCCUPANCY

<u>Unit No.</u>	<u>Unit Code</u>	<u>Last Name</u>	<u>No. of Occupants</u>	<u>Current Gross Rent/ Monthly</u>	<u>Current Gross Rent/Annual</u>
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II. AREA MEDIAN GROSS INCOME FACTORS

<u>Month</u>	<u>AMGI</u>	<u>AMGI</u>	<u>Number of Occupants</u>							
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>

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EXHIBIT C

OCCUPANCY THRESHOLD CERTIFICATE

Re: Millport Apartments, located at 57-61 Millport Avenue, New Canaan, Connecticut 06840 and defined as the Project in a certain Land Use Restriction Agreement dated as of May 1, 2017 and recorded in Volume \_\_\_, Page \_\_\_ of the New Canaan Land Records (the Agreement").

Pursuant to Section 2.6 of the Agreement, the undersigned, \_\_\_\_\_ of Millport Phase II Limited Partnership, owner of the Project, hereby certifies that, as of the date of this Certificate, the statements set forth in paragraphs 1 and/or 2 below are true and correct.

- 1. Ten percent (10%) of the Units (as defined in the Agreement) in the Project are occupied.
- 2. Fifty percent (50%) of the Units in the Project are occupied.

Dated at \_\_\_\_\_, this \_\_\_ day of \_\_\_\_\_, 20\_\_.

MILLPORT PHASE II LIMITED PARTNERSHIP,  
a Connecticut limited partnership

By: Millport Phase II GP Corporation  
a Connecticut corporation  
Its: General Partner

By: \_\_\_\_\_  
Name:  
Title: Director, duly authorized

Received for record on 6-1-17 at 1:39 pm  
and recorded by Claudia A. Weber  
TOWN CLERK

After recording, please return to:  
 State of Connecticut  
 Department of Housing  
 505 Hudson Street  
 Hartford, CT 06106  
 Attn: Nathan Karnes

  
 Doc ID: 002618160015 Type: LAN  
 Book 973 Page 717 - 731  
 File# 3291

## DECLARATION OF LAND USE RESTRICTIVE COVENANT

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANT, (this "Restrictive Covenant") is made as of this 26<sup>th</sup> day of May 2017 by HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, a body corporate and politic of the Town of New Canaan, Connecticut having a mailing address 57 Millport Avenue, New Canaan, Connecticut 06840 (the "Owner") and MILLPORT PHASE II LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of the State of Connecticut and having a mailing address c/o Millport Phase II GP Corporation, 57 Millport Avenue, New Canaan, Connecticut 06840 (the "Developer" and collectively with the Owner, the "Declarants" and each a "Declarant") and is given as a condition precedent to the disbursement to Developer of certain financial assistance in the form of a loan (the "Loan") pursuant to the provisions of the Affordable Housing Program as set forth in § 8-37pp of the Connecticut General Statutes ("CGS"), as amended and in effect from time to time (the "Act"), as amended, in favor of the STATE OF CONNECTICUT (the "State"), acting herein by and through its Department of Housing ("DOH"), acting by its Commissioner of Housing (the "Commissioner").

### WITNESSETH:

WHEREAS, the Owner is the owner of a certain parcel (or parcels) of real property commonly known as 57-61 Millport Avenue, New Canaan, Connecticut and being more particularly described in Schedule A hereto (the "Land"), which Land is leased to the Developer pursuant to the Ground Lease (as defined in the Assistance Agreement [as hereinafter defined]); and

WHEREAS, the Developer is the developer of an affordable housing project located on the Land known as "Millport Phase II Project" and identified by the State as Project No. FX1609001 (the "Development" and together with the Land, the "Premises"); and

WHEREAS, the Developer has requested financial assistance from the State for the acquisition and/or rehabilitation or construction of the Development, including, without limitation, forty (40) units of residential rental housing (collectively, the "Units" and each a "Unit"), all of which shall be restricted as affordable housing (each an "Affordable Unit" and collectively, the "Affordable Units"), and the State has agreed to provide such financial assistance in accordance with the provisions of the Act and that certain agreement for financial assistance of even date herewith between the State and the Developer (the "Assistance Agreement"); and

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

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

NOW THEREFORE, in consideration of the disbursement of the Loan proceeds by the State, the Declarants agree as follows:

**Section 1 - Definitions**

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

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

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

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

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

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

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

### Section 3 - Representations, Covenants and Warranties of the Declarant

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

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

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

(c) The Developer will, at the time of execution and delivery of this Restrictive Covenant, have good and valid leasehold interest in and to the Land and good and valid ownership of the Development, free and clear of any lien or encumbrance (except for encumbrances created pursuant to this Restrictive Covenant, or other encumbrances permitted pursuant to the terms of this Restrictive Covenant and/or the Assistance Agreement).

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

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

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

(g) Subject to the requirements of the Act, this Restrictive Covenant, the Assistance Agreement and the prior written approval of the State, the Developer may convey, transfer, or sell the entirety of Developer's interest in and to the Premises, provided the Developer shall have notified in



writing the transferee, buyer or other successor in interest acquiring the Premises in advance that such acquisition is subject to the requirements of this Restrictive Covenant and to the requirements of the Act and all applicable regulations. This provision shall not act to modify any other restriction on the conveyance, transfer, or sale of the Premises. The Developer agrees that the State may void any conveyance, transfer, or sale of the Premises if the Developer fails to provide such notice to the transferee, buyer or other successor in interest or if the transferee, buyer or other successor in interest fails to assume in writing the requirements of this Restrictive Covenant and the requirements of the Act.

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

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

(j) The Developer has not and will not execute any other restrictive covenant or other instrument with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Restrictive Covenant are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

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

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

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

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

(n) The Owner will, at the time of execution and delivery of this Restrictive Covenant, have good and marketable fee simple title in and to the Land, free and clear of any lien or encumbrance (except for encumbrances created pursuant to this Restrictive Covenant, or other encumbrances permitted pursuant to the terms of this Restrictive Covenant and/or the Assistance Agreement).

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

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

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

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

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

(t) The Owner has not and will not execute any other restrictive covenant or other instrument with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Restrictive Covenant are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

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

#### Section 4 - Income, Rent, Occupancy and Use Restrictions

The Declarants covenant and agree that following the construction of the Development, notwithstanding any prepayment or other discharge of the Loan, at all times during the Affordability Period, the Affordable Units shall be comprised of the following: eighteen (18) one-bedroom Units, sixteen (16) two-bedroom Units and six (6) three-bedroom Units, and shall be subject to the following affordability restrictions:

- (i) one (1) one-bedroom Affordable Unit shall be restricted to families and persons whose income does not exceed twenty-five percent (25%) of the AMI, and have an initial rental limit of \$615.00 per month;
- (ii) three (3) one-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed fifty percent (50%) of the AMI, and have an initial rental limit of \$1,231.00 per month;
- (iii) fourteen (14) one-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed sixty percent (60%) of the AMI, and have an initial rental limit of \$1,478.00 per month;
- (iv) four (4) two-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed twenty-five percent (25%) of the AMI, and have an initial rental limit of \$738.00 per month;
- (v) six (6) two-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed fifty percent (50%) of the AMI, and have an initial rental limit of \$1,477.00 per month;
- (vi) six (6) two-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed sixty percent (60%) of the AMI, and have an initial rental limit of \$1,773.00 per month;
- (vii) two (2) three-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed twenty-five percent (25%) of the AMI, and have an initial rental limit of \$853.00 per month;
- (viii) two (2) three-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed fifty percent (50%) of the AMI, and have an initial rental limit of \$1,707.00 per month; and
- (ix) two (2) three-bedroom Affordable Units shall be restricted to families and persons whose income does not exceed sixty percent (60%) of the AMI, and have an initial rental limit of \$2,049.00 per month.

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

### Section 5 - Term of Restrictive Covenant

(a) This Restrictive Covenant, and the term of affordability specified herein (the "Affordability Period"), shall be effective immediately upon recordation of this Restrictive Covenant. With respect to any covenants concerning any Affordable Units to be constructed following the recordation of this Restrictive Covenant, the Declarants shall comply with all such covenants immediately upon the completion of the construction of such Affordable Units but in no event later than the Project Completion Date. This Restrictive Covenant shall terminate on the date that is **forty (40)** years after the Project Completion Date.

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

### Section 6 - Enforcement of Restrictions

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

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

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

(d) The Declarants acknowledge that the primary purpose for requiring compliance by the Declarants with the covenants, restrictions and other requirements set forth in this Restrictive Covenant is to assure compliance of the Development and the Declarants with the Act, all applicable regulations, and the terms of the Assistance Agreement, and by reason thereof, the Declarants in consideration for receiving the Loan proceeds for the Development, hereby agree and consent that the State shall be entitled, for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Declarants of each of their respective obligations under this Restrictive Covenant in a court of competent jurisdiction. The Declarants hereby further specifically acknowledge that the beneficiaries of the Declarants' obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

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

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

#### Section 7 - Recordkeeping

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

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

#### Section 8 - Miscellaneous

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

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

**If to State:**

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

**With a copy to:**

Assistant Attorney General - Housing  
55 Elm Street  
Hartford, Connecticut 06106

**If to Owner:**

Housing Authority of the Town of New Canaan  
New Canaan, Connecticut 06840  
Attn:

**If to Developer:**

Millport Phase II Limited Partnership  
57 Millport Avenue  
New Canaan, Connecticut 06840  
Attn:

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

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

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

No Further Text on This Page – Signature Page Follows

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

Signed, Sealed and Delivered in the presence of:

*[Handwritten signature]*

BERNARD E. SIMPKIN

*[Handwritten signature]*

DIMITRI TOWNAS

**MILLPORT PHASE II LIMITED PARTNERSHIP**

a Connecticut limited partnership

By: Millport Phase II GP Corporation

Its: General Partner

By: *[Handwritten signature]*

Scott Hobbs

Its Chairman

Duly Authorized

STATE OF CONNECTICUT )

COUNTY OF Fairfield ) ss. Stamford

On this 25<sup>th</sup> day of May, 2017 before me, the undersigned officer, personally appeared **Scott Hobbs**, the duly authorized Chairman of Millport Phase II GP Corporation, a corporation organized and existing under the laws of the State of Connecticut, the General Partner of **MILLPORT PHASE II LIMITED PARTNERSHIP**, a Connecticut limited partnership, and that he as such Chairman of the General Partner of said limited partnership and being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited partnership by himself as such Chairman of the General Partner of said limited partnership.

In Witness Whereof, I hereunto set my hand.

*[Handwritten signature]*

Commissioner of the Superior Court

Notary Public

My Commission Expires: \_\_\_\_\_

YOL 973 PG 0727

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

Signed, Sealed and Delivered in the presence of:

Bernard E. Simpson  
BERNARD E. SIMPSON

Dimital Tannas  
DIMITAL TANNAS

HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN

By: Scott Hobbs  
Scott Hobbs  
Its Chairman  
Duly Authorized

STATE OF CONNECTICUT )  
COUNTY OF Fairfield ) ss: Stamford

On this the 25<sup>th</sup> day of May, 2017, before me, the undersigned officer, personally appeared Scott Hobbs, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged himself to be the **Chairman** of **HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN**, a housing authority of the Town of New Canaan and that he, as such and being authorized so to do, executed the foregoing instrument as the free act and deed of the housing authority for the purposes contained therein by signing the name of the housing authority by himself as such **Chairman**.

In witness whereof, I hereunto set my hand.

[Signature]

Commissioner of the Superior Court  
Notary Public  
~~My Commission Expires:~~



## Schedule A

## Legal Description of Development

All that certain piece, parcel or tract of land, being a portion of that new consolidated parcel, comprised of portions of former Assessor Lots 630, 644 and 644A, situated in the Town of New Canaan, County of Fairfield and State of Connecticut, being a portion of Parcel 630, 35 Millport Avenue and portion of Parcel 644 and 644A 57 Millport Avenue, shown as **PHASE II (SHADED AREA) AREA=64,982+/- SQ. FT. OR 1.4918+/- AC. (LEASEHOLD PARCEL)** and designated within shaded area on a map entitled "ALTA/NSPS LAND TITLE SURVEY (PROPERTY SURVEY) 33, 35, 41, 57 & 65 MILLPORT AVENUE DEPICTING LEASE PARCEL II PROPERTY OF HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN NEW CANAAN, CONNECTICUT" Sheets 1 and 2 of 2, dated May 19, 2017, Scale 1"=30', made by William W. Seymour & Associates, P.C., which map is or will be filed in the Office of the Town Clerk of New Canaan, more particularly bounded and described as follows:

Beginning at a point on the division line between land now or formerly of Medical Properties (Tax Lot 622, 173 East Avenue) and land now or formerly of The Housing Authority of The Town of New Canaan, said point lying north 57° 04' 20" west a distance of 92.74 feet and north 50° 38' 00" west a distance of 5.19 feet and north 57° 58' 00" west a distance of 24.93 feet and south 62° 37' 30" west a distance of 5.07 feet and north 45° 58' 50" west a distance of 70.39 feet from the intersection of said division line with the northwesterly line of Millport Avenue and further being the intersection of the easterly line of the herein described parcel (Phase II) with the aforesaid division line;

Thence, running generally southwesterly and in a clockwise direction south 44° 01' 10" west a distance of 100.00 feet and south 45° 58' 50" east a distance of 7.29 feet and south 44° 32' 10" west a distance of 52.74 feet and south 58° 41' 20" west a distance of 115.23 feet to a point;

Thence, running generally northwesterly and continuing in a clockwise direction north 42° 37' 20" west a distance of 137.25 feet to a point on the division line between the herein described parcel (Phase II) and land now or formerly of Gray Stone Condominiums (Tax Lot 647, 52-70 Lakeview Avenue);

Thence, running generally northeasterly and northwesterly and continuing in a clockwise direction along said land now or formerly of Gray Stone Condominiums (Tax Lot 647, 52-70 Lakeview Avenue) north 46° 03' 30" east a distance of 114.08 feet and north 46° 33' 30" west a distance of 127.44 feet to a point and land now or formerly of Essex Ridge Condominium (Tax Lot 642, 164-176 Summer Street);

Thence, running generally northeasterly and continuing in a clockwise direction along said land now or formerly of Essex Ridge Condominium (Tax Lot 642, 164-176 Summer Street) and land now or formerly of Old Forge Green Condominium (Tax Lot 621, 141-161 East Avenue), each in part, north 44° 16' 00" east a distance of 66.35 feet and north 42° 59' 00" east a distance of 115.70 feet to a point, said point being the northwesterly corner of the herein described parcel (Phase II);

Thence, running generally southeasterly and continuing in a clockwise direction along said land now or formerly of Old Forge Green Condominium (Tax Lot 621, 141-161 East Avenue) south 47° 24' 00" east a distance of 86.85 feet and south 49° 20' 00" east a distance of 55.50 feet and south 56° 38' 00" east a distance of 13.25 feet to the aforesaid division line between land now or formerly Medical Properties (Tax Lot 622, 173 East Avenue) and the herein described parcel (Phase II);

Thence, running generally southwesterly and southeasterly and continuing in a clockwise direction along said division line between land now or formerly of Medical Properties (Tax Lot 622, 173 East Avenue) and the herein described parcel (Phase II) south  $36^{\circ} 28' 00''$  west a distance of 46.84 feet and south  $45^{\circ} 58' 50''$  east a distance of 123.15 feet to the point of beginning.

the "Leasehold Parcel",

Together with the rights, provisions, terms and conditions set forth in an Easement Agreement by and among the Housing Authority of the Town of New Canaan, NCHA Mill Apartments Limited Partnership, Millport Phase I Limited Partnership and Millport Phase II Limited Partnership dated as of May 26, 2017, recorded in the New Canaan Land Records.

Such easements and rights of way are shown and depicted on a map entitled "COMPILATION PLAN 33, 35, 41, 57 & 65 MILLPORT AVENUE MAP DEPICTING LEASE PARCELS PROPERTY OF THE HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, NEW CANAAN, CONNECTICUT" dated December 18, 2015, Scale 1"=30 ft., by William F. Seymour & Associates, P.C., which map is filed in the Office of the Town Clerk of New Canaan as Map #7648, as:

"Easement Area Y", more particularly bounded and described as follows:

Beginning at a point on the former division line between properties known as 41 & 57 Millport Avenue, said point being further described as lying north  $09^{\circ} 47' 00''$  west a distance of 126.20 feet from the intersection of said former division line between said properties known as 41 & 57 Millport Avenue with the northwesterly line of Millport Avenue;

Thence, running alternately southwesterly and northwesterly south  $78^{\circ} 16' 50''$  west a distance of 44.25 feet and north  $38^{\circ} 03' 00''$  west a distance of 83.95 feet and south  $50^{\circ} 32' 40''$  west a distance of 14.66 feet and 8.41 feet along a tangent arc curving to the right having a radius of 5.00 feet and subtending a delta or central angle of  $96^{\circ} 19' 30''$  and 51.51 feet along an arc (compound and tangent) curving to the right having a radius of 107.00 feet and subtending a delta or central angle of  $27^{\circ} 34' 57''$  and south  $84^{\circ} 15' 50''$  west a distance of 25.00 feet and north  $43^{\circ} 56' 30''$  west a distance of 29.54 feet to a point on the division line between land of Housing Authority of the Town of New Canaan and land now or formerly of Gray Stone Condominiums;

Thence, running northerly along said division line between land of Housing Authority of the Town of New Canaan and known as 57 Millport Avenue and land now or formerly of Gray Stone Condominiums north  $46^{\circ} 03' 30''$  east a distance of 27.34 feet to a point;

Thence, running southeasterly and northeasterly through said land of Housing Authority of the Town of New Canaan and known as 57 Millport Avenue south  $42^{\circ} 37' 20''$  east a distance of 137.25 feet and north  $58^{\circ} 41' 20''$  east a distance of 115.23 feet to a point on the former division line between properties known as 41 & 57 Millport Avenue;

Thence, running southwesterly along said former division line between properties known as 41 & 57 Millport Avenue south  $44^{\circ} 32' 10''$  west a distance of 62.12 feet to a point;

Thence, running southeasterly and southwesterly through said land of Housing Authority of the Town of New Canaan and known as 41 Millport Avenue south  $29^{\circ} 09' 35''$  east a distance

of 23.65 feet and south  $60^{\circ}50'25''$  west a distance of 8.32 feet to a point on the former division line between properties known as 41 & 57 Millport Avenue;

Thence, running southeasterly along said former division line between properties known as 41 & 57 Millport Avenue south  $09^{\circ}47'00''$  east a distance of 25.08 feet to the point of beginning.

And "Driveway Easement Parcel" shown and depicted as "Proposed Driveway Easement for Phase II" on a map entitled "COMPILATION PLAN 33, 35, 41, 57 & 65 MILLPORT AVENUE MAP DEPICTING DRIVEWAY EASEMENTS PROPERTY OF THE HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, NEW CANAAN, CONNECTICUT" dated December 18, 2015, Scale 1"=30 ft., Scale 1"=30 ft., by William F. Seymour & Associates, P.C., which map is filed in the Office of the Town Clerk of New Canaan as Map #7649, bounded and described as follows:

Beginning at a point on the northwesterly line of Millport Avenue, said point lying north  $78^{\circ}17'30''$  east 1.87 feet of the intersection of the former division line between properties known as 65 & 57 Millport Avenue with said northwesterly line of Millport Avenue;

Thence, running northerly and northwesterly a distance of 10.52 feet along an arc curving to the left having a radius of 30.00 feet and subtending a central or delta angle of  $20^{\circ}05'35''$  and having a chord bearing of north  $01^{\circ}39'42''$  west and north  $11^{\circ}42'30''$  west a distance of 69.75 feet and north  $38^{\circ}03'00''$  west a distance of 103.11 feet and 80.59 feet along an arc curving to the right having a radius of 131.00 feet and subtending a central or delta angle of  $35^{\circ}14'45''$  to a point;

Thence, running northeasterly along the northerly terminus of the herein described easement north  $84^{\circ}15'50''$  east a distance of 24.00 feet to a point;

Thence, running southeasterly and southerly a distance of 54.96 feet along an arc curving to the left having a radius of 107.00 feet and subtending a central or delta angle of  $29^{\circ}25'40''$  and south  $38^{\circ}03'00''$  east a distance of 120.81 feet and south  $11^{\circ}42'30''$  east a distance of 67.12 feet and 20.00 feet along an arc curving to the left having a radius of 30.00 feet and subtending a central or delta angle of  $38^{\circ}11'39''$  and having a chord bearing of south  $30^{\circ}48'19''$  east to the aforesaid northwesterly line of Millport Avenue;

Thence, running southwesterly along said northwesterly line of Millport Avenue south  $78^{\circ}17'30''$  west a distance of 32.25 feet to the point of beginning.

(hereinafter, the "Easement Parcels").

Together with the rights, provisions, terms and conditions set forth in a Ground Lease from the Housing Authority of the Town of New Canaan to Millport Phase II Limited Partnership, a Notice of which is dated as of May 26, 2017, and recorded, or to be recorded, in the New Canaan Land Records.

Received for record on 6-1-17 at 1:40 pm  
and recorded by Claudia A. Weber  
TOWN CLERK

After recording, return to:  
 Kirsten M. Vargo  
 Wiggint and Dana LLP  
 265 Church Street  
 New Haven CT 06510-1832

  
 Doc ID: 002618230017 Type: LAN  
 Book 973 Page 951 - 967  
 File# 3296

**OPEN-END LEASEHOLD MORTGAGE DEED**

**Millport Phase II Limited Partnership**

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

KNOW YE, THAT MILLPORT PHASE II LIMITED PARTNERSHIP, a Connecticut limited partnership, with a principal place of business at 57 Millport Avenue, New Canaan, Connecticut 06840 ("Grantor"), for One Dollar (\$1.00) and other valuable consideration received to their full satisfaction of the HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, a municipal housing authority duly organized and existing pursuant to the laws of the State of Connecticut, having an address at 57 Millport Avenue, New Canaan, Connecticut 06840 ("Grantee"), does give, grant, bargain sell AND confirm unto the said Grantee, its successors AND assigns forever, with MORTGAGE COVENANTS:

All of its leasehold interests as established under that certain ground lease, more particularly described in Schedule A (hereinafter called the "Lease"), in and to all those certain tracts or parcels of land and all improvements now or hereafter thereon situated, lying and being in the Town of New Canaan, the County of Fairfield and the State of Connecticut, and also more particularly described in Schedule A attached hereto and made a part hereof (hereinafter called the "Premises").

TOGETHER with all right, title and interest of the Grantor in and to any and all sidewalks, plazas and alleys, and all strips and gores of land adjoining or adjacent to said Premises, and all and singular the tenements, hereditaments, privileges, easements and appurtenances belonging or in any wise appertaining to said Premises, and all the estate, right, title, interest, claim and demand whatsoever, in law or in equity, which the Grantor now has or may hereafter acquire in and to such property;

TOGETHER with all right, title and interest of the Grantor now owned or hereafter acquired, in and to any and all buildings, structures and improvements now or at any time hereafter erected, constructed or situated upon said Premises or any part thereof and all apparatus, fixtures, furniture, furnishings and equipment now or hereafter attached to or used or procured for use in connection with the operation or maintenance of any such building, structure or other improvement, including, but without limiting the generality of the foregoing, all engines, furnaces, boilers, pumps, heaters, tanks, antennae, motors, generators, switchboards, electrical equipment, heating, plumbing, lifting and ventilating apparatus, air-cooling and air-conditioning apparatus, gas and electric fixtures, refrigerating equipment, stoves and clothes washing machines, elevators, escalators, fittings and machinery, awnings, storm and screen windows and doors, window shades and blinds, together with any and all substitutions therefor, replacements thereof and additions thereto, all of which are hereby

declared and shall be deemed to be fixtures and an accession to the freehold and a part of the realty and to be subject to the lien of this mortgage (this "Mortgage");

TOGETHER with all rights, title and interest, if any, of the Grantor, now owned or hereafter acquired in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining said land, to the center line thereof;

TOGETHER with all rights of the Grantor to modify, amend or terminate any lease now or hereafter relating to the Premises;

All of the foregoing Premises, leasehold estate and property is hereinafter collectively called the "Mortgaged Premises".

TO HAVE AND TO HOLD the above granted and bargained Mortgaged Premises with all the privileges and appurtenances thereof, unto the Grantee, its successors and assigns forever, to its and their proper use and behoof.

AND ALSO the Grantor does for itself, its successors and assigns, covenant with the Grantee, its successors and assigns, that at and until the ensembling of these presents, it has good right to bargain and sell said Mortgaged Premises in manner and form as above written, and that the same is free from all encumbrances whatsoever, except as set forth in said Schedule A.

AND FURTHERMORE, the Grantor does hereby by these presents bind itself and its successors and assigns forever to WARRANT AND DEFEND the above granted and bargained Mortgaged Premises to the Grantee, its successors and assigns, against all claims and demands whatsoever, except as set forth in said Schedule A and Schedule A-1.

THE CONDITION OF THIS DEED IS SUCH THAT,

WHEREAS, the Grantor is justly indebted to the Grantee in the maximum principal amount of up to **Nine Hundred Thousand and No/100 Dollars (\$900,000.00)** (the "Loan"), as evidenced by the Grantor's Promissory Note of even date herewith (hereinafter the "Note"), which Note is attached hereto as Schedule B; and

WHEREAS the Grantee is desirous of securing the prompt payment of the Note together with interest thereon, if any, and any additional indebtedness accruing to it on account of any future payments, advances or expenditures made by it pursuant to the terms hereof (all hereinafter sometimes collectively referred to as the "Indebtedness secured hereby");

NOW, THEREFORE, said Grantor, in order to protect more fully the security of the Grantee hereunder, does hereby covenant and agree with the Grantee that:

1. Grantor shall pay promptly when due, all principal, interest, if any, and all other sums to become due under the terms of the Note.

2. Grantor shall keep the Mortgaged Premises in good condition and repair, reasonable wear and tear excepted; shall not permit nor perform any act which would in any way impair the value of the same; shall not remove any fixture nor remove or demolish any building or improvement located or to be constructed on the above-described Premises without the written consent of the Grantee, which shall not be unreasonably withheld; shall neither commit nor permit waste of the Mortgaged Premises; and shall not, without the Grantee's prior written consent (which consent shall not be unreasonably withheld), commence construction of any buildings or improvements on the Mortgaged Premises the effect of which would be to reduce the value of the Mortgaged Premises; provided, however, that Grantor shall have the right, without such consent, to remove and dispose of, free from the lien of this Mortgage, such equipment as from time to time may become worn out or obsolete, provided that simultaneously with or prior to such removal any such equipment shall be replaced with other equipment of a value at least equal to that of the replaced equipment and free from any title retention or security agreement or other encumbrance, and by such removal and replacement the Grantor shall be deemed to have subjected such other equipment to the lien of this Mortgage.

3. Grantor shall pay all debts, claims or other charges that may become liens against the Mortgaged Premises or any part thereof for repairs or improvements that may have been, or may hereafter be, made on the Mortgaged Premises and shall not permit any lien or encumbrance of any kind which might become superior or adverse to the title of Grantee or the lien of this Mortgage to accrue or remain on the Mortgaged Premises or any part thereof, except for liens or encumbrances set forth on Schedule A-1. Grantor shall give prompt notice to the Grantee of the imposition or filing of any liens or encumbrances against the Mortgaged Premises.

4. Grantor shall provide, maintain, and deliver to the Grantee a fire and extended coverage insurance policy and such other insurance as the Grantee may from time to time require, including, but not limited to, adequate liability insurance naming the Grantee as an insured and loss of rent insurance in an amount not less than the annual aggregate rental value of the Mortgaged Premises, all such policies to be issued by companies and in form and amounts satisfactory to the Grantee, upon the buildings and improvements now or hereafter situated on the Mortgaged Premises, and shall deliver to the Grantee copies of all insurance policies of any kind or in any amount now or hereafter issued upon the Mortgaged Premises, naming the Grantee as a mortgagee. Grantor shall give immediate notice in writing to the Grantee of any loss or damage to the Mortgaged Premises caused by any casualty. The Grantee is authorized to settle and compromise in good faith any and all claims under any and all policies and to demand, and except as hereinafter provided, to receive and receipt for all moneys becoming payable thereunder and to assign any or all policies to any endorsee of the Note or to any subsequent owner of the Mortgaged Premises in the event of the foreclosure of this Mortgage or other transfer of title to the Mortgaged Premises. In the event of loss under any policy of insurance herein referred to, and if Grantor shall not then be in default hereunder, the proceeds of such policy shall be paid by the insurer to the Grantor and the Grantee, and any checks therefor shall be endorsed by Grantor to the Grantee, to be held as additional collateral hereunder. If Grantor shall fully reconstruct, repair or restore the Mortgaged Premises to as good condition as the same were in immediately prior to the damage or destruction thereof resulting in such loss, the Grantee shall thereafter apply such proceeds, after deducting all costs of collection, toward such reconstruction, repair or restoration of the Mortgaged Premises. Provided that Grantee is assured in its reasonable discretion that: (i) the amount of any insurance proceeds is sufficient to restore the Mortgaged

Premises to its prior condition, and (ii) no leases of the Mortgaged Premises have been or will be terminated as a result of any such damage or destruction to the Mortgaged Premises, Grantee will make advances of the proceeds to Grantor as the restoration progresses to pay for the cost of the restoration. All work shall be completed in accordance with plans and specifications and a schedule for performing the work approved by Grantee in advance, and in accordance with all applicable laws and regulations. Provided, however, that if Grantor shall then be in default hereunder, or if Grantor shall not elect to so reconstruct, repair or restore the Mortgaged Premises, the Grantee may apply such proceeds to the Indebtedness secured hereby, whether or not then due or payable, and in such manner as the Grantee in its sole discretion may see fit, and shall remit the excess, if any, to Grantor. The rights of the Grantee under the provisions of this Section 4 are subject to any such rights of prior mortgagees of record.

5. The rents, income and profits of all and every part of the Mortgaged Premises are hereby specifically pledged to the payment of the Indebtedness secured hereby. If any Event of Default shall occur, the Grantee shall have the right forthwith and without notice to enter into and upon the Mortgaged Premises, take possession thereof, and collect said rents, income and profits with or without the appointment of a receiver, regardless of the value of the Mortgaged Premises. All such net income after payment of the reasonable costs of collection thereof, and management and attorneys' fees, shall be applied toward the payment of any advances made by the Grantee or in reduction of the Indebtedness secured hereby, in such manner or proportion as the Grantee in its sole discretion may elect. The rights of the Grantee under the provisions of this Section 5 are subject to any such rights of prior mortgagees of record.

6. If Grantor shall fail to insure the Mortgaged Premises, pay any taxes or assessments, pay debts, claims or other charges for repairs and improvements, or to keep the Mortgaged Premises in good condition and repair, all as provided herein, the Grantee may, at its option, but shall not be obligated to, procure such insurance, pay such taxes and assessments with any penalty or interest thereon, if any, redeem the property from any tax sale, procure such receipts, or enter upon the Mortgaged Premises and make such repairs as it may deem necessary, and Grantor shall immediately pay to the Grantee all sums which the Grantee may have so paid, together with interest thereon at the rate provided in the Note, if any, and for payment thereof, this Mortgage shall stand as security in like manner and effect as for the payment of the Indebtedness referred to above. The failure of the Grantee to procure such insurance, to pay such taxes and assessments, to redeem the property from any tax sale, or to make repairs shall in no way render Grantee liable to Grantor nor obligate it to make any such payment on Grantor's behalf. If Grantee shall elect to advance insurance premiums, taxes or assessments, or redeem from tax sale, the receipt of the insurance company, or the proper tax official, shall be conclusive evidence of the amount, validity and the fact of payment thereof. No payment by the Grantee under this paragraph shall constitute a waiver of any Event of Default on account of nonpayment by Grantor. The rights of the Grantee under the provisions of this Section 6 are subject to any such rights of prior mortgagees of record.

7. The Grantor shall immediately pay to the Grantee all sums, including costs, expenses and reasonable agent's or attorney's fees, which the Grantee may expend or become obligated to pay in any proceedings, legal or otherwise, to prevent the commission of waste, to establish or sustain the lien of this Mortgage or its priority, or to defend against liens, claims, rights, estates, easements, or



restrictions (other than those set forth on Schedule A-1) asserting priority to this Mortgage in payment, settlement, discharge or release of any asserted lien, claim, right, easement or restriction made upon advice of counsel that the same is superior or adverse to the lien of this Mortgage; for title insurance, abstract of title or extension thereof; or in connection with any suit to enforce or foreclose this Mortgage; or to recover any sums hereby secured. All such sums so paid by the Grantee shall bear interest at the rate of provided in the Note, if any, until paid to the Grantee by the Grantor, and for payment of such sums and interest, if any, this Mortgage shall stand as security.

8. Without the prior written consent of the Grantee which consent shall not be unreasonably withheld, the Grantor shall not suffer or permit any termination, cancellation, amendment, modification, substitution or waiver of any right of the Grantor created under or arising out of the Lease or any rights appurtenant to the Premises that may be created hereafter in addition to or supplementing the aforesaid. Grantee may enter upon the Mortgaged Premises from time to time through its employees and agents to inspect the Mortgaged Premises.

9. If any one or more of the following "Events of Default" shall occur and be continuing:

(i) Default in the payment of the principal of the Note, or in the payment of interest on the Note, if any, or in the payment of any other indebtedness owing by the Grantor to the Grantee under the Note, now existing or hereinafter incurred, for more than ten (10) days from the date when the same shall be due; or

(ii) Failure by the Grantor to observe or perform any covenant contained in this Mortgage or the Note for a period of thirty (30) days after written notice to Grantor and the limited partners of Grantor; or

(iii) Any representation or warranty made by the Grantor herein, or any statement, certificate or other data furnished in connection herewith, proves to be incorrect in any material respect when made; or

(iv) Grantor or any endorser, guarantor, maker or surety of the Indebtedness shall (1) apply for or consent to the appointment of a receiver, custodian, trustee or liquidator of Grantor or any such endorser, guarantor, maker or surety, of all or a substantial part of its assets; (2) file or have filed against it any petition or answer seeking as to itself the liquidation, arrangement, reorganization, or the like under any insolvency or bankruptcy law; or (3) take any action for the purpose of effecting any of the foregoing; or

(v) An order, judgment or decree shall be entered, without the application, approval or consent of Grantor or any endorser, guarantor, maker or surety of the Indebtedness, by any court of competent jurisdiction, approving a petition seeking the liquidation, arrangement or reorganization of any of them or appointing a receiver, trustee or liquidator of any of them or of all or a substantial part of any of their assets, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days; or

(vi) except for the mortgages set forth in Section 13 and the purchase option set forth

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in Section 14 of this Mortgage, Grantor shall convey to any other party a security interest in the Mortgaged Premises, or any part thereof, without the prior written consent of the Grantee, or in the event the Grantor shall sell, transfer or otherwise dispose of the Mortgaged Premises, or any part thereof, or if the legal or equitable title shall become vested in any other person, without the prior written consent of the Grantee; or

(vii) Grantor shall without the prior written consent of Grantee merge into or consolidate with or into any corporation or entity or acquire all or substantially all of the assets of another corporation;

then, upon notice in writing to the Grantor and the limited partners of the Grantor of the occurrence of one or more of the foregoing Events of Default, then, and in any such event, the Grantor and the limited partner of the Grantor shall have ninety (90) days within which to cure such Event of Default, provided, however, that if such Event of Default has not been cured upon the expiration of such ninety (90) day period, the entire Indebtedness secured hereby and all other amounts secured hereby shall, at the option of the Grantee, become immediately due and payable without any demand or notice and the Grantee shall have the immediate right to foreclose this Mortgage.

10. No delay or failure of the Grantee to exercise any right, power, privilege or option herein given to or conferred upon the Grantee shall constitute a waiver of or estop Grantee from afterwards exercising the same or any other right, power, privilege or option at any time, and the payment or contraction to pay by the Grantee of anything the Grantor has herein agreed to pay shall not constitute a waiver of any Event of Default of the Grantor in failing to make any such payment and shall not estop the Grantee from foreclosing this Mortgage on account of such failure of the Grantor. All rights, powers, privileges, options and remedies herein given to or conferred upon the Grantee shall be cumulative and no one or more of them shall be exclusive of the other or others, or of any right or remedy now or hereafter given or allowed by law.

11. Notwithstanding any taking of all or any part of the Mortgaged Premises by eminent domain by any public or quasi-public authority or corporation or any other injury to or decrease in value of the Mortgaged Premises resulting from any alteration of the grade of any highway or street or any other action by any such public or quasi-public authority or corporation, the Grantor shall be obligated under the Note as provided therein. Any award in payment resulting therefrom, shall be paid to the Grantee to the extent of the Indebtedness secured hereby, and the Grantee may hold such proceeds as additional collateral hereunder. To the extent feasible, the Grantor shall alter, restore or rebuild any part of the Mortgaged Premises which may be altered, damaged or destroyed as a result of any such taking or alteration of grade or other such action by any such public or quasi-public authority or corporation, and if the Grantor is not then in default hereunder, such amount of such award or payment as may be necessary to reimburse the Grantor, without interest, for the cost of any such alteration, restoration or rebuilding by the Grantor may, at the reasonable option of the Grantee, be paid by the Grantee to the Grantor, otherwise, the same may be retained by the Grantee and applied, in the discretion of the Grantee, to the Indebtedness secured hereby. Any excess shall be remitted to the Grantor. If prior to the receipt by the Grantee of such award or payment the Mortgaged Premises shall have been sold on foreclosure of this Mortgage, the Grantee shall have the right to receive said award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon,

whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, together with the reasonable counsel fees, costs and disbursements incurred by the Grantee in connection with the collection of such award or payment. The rights of Grantee under the provisions of this Section 11 are subject to any such rights of prior mortgagees of record.

12. The Grantee shall not be obligated to release, or be prevented from foreclosing or enforcing this Mortgage upon all or any part of the Mortgaged Premises, unless and until all items hereby secured shall have been paid in full; and shall not be required to accept any part or parts of said Mortgaged Premises as distinguished from the entire whole thereof as payment of or upon the Indebtedness secured hereby to the extent of the value of any such part or parts; and shall not be compelled to accept or allow any apportionment of the said debt to or among any separate parts of the said Mortgaged Premises.

13. Notwithstanding anything contained herein to the contrary, this Mortgage and the rights of the Grantee hereunder shall be and are hereby expressly made subject to and subordinate at all times to any use agreement, restrictive covenants, mortgages on the Mortgaged Premises and any assignments of leases and rents and UCC-1 financing statements affecting the Mortgaged Premises from the Grantor in favor of (i) the Department of Housing and Urban Development ("HUD") pursuant to that certain Rental Assistance Demonstration (RAD) Conversion Commitment, executed by HUD on March 17, 2017, including, without limitation, a Rental Assistance Demonstration Use Agreement, together with a Rider to Use Agreement Relating to Foreclosure; (ii) the Connecticut Housing Finance Authority, including that certain Extended Low-Income Housing Commitment, (iii) Bankwell Bank ("Bankwell"), to secure two (2) loans from Bankwell to the Grantor in the respective maximum principal amounts of \$3,050,000 and \$3,900,000; (iv) the State of Connecticut Department of Housing ("DOH"), to secure one (1) loan from DOH to the Grantor in the maximum principal amount of \$4,117,438, as well as any other project financing now or hereafter existing, and to all amendments, modifications, renewals, extensions, consolidations and replacements of the foregoing, and to all advances made or hereafter to be made upon the security thereof. Such subordination(s) shall be automatic and shall require no further action by the Grantor or the Grantee for its or their effectiveness.

14. Notwithstanding anything contained herein to the contrary, this Mortgage, the Mortgaged Premises and the rights of the Grantee hereunder shall be and are hereby expressly made subject to the Affordability Plan, dated January 27, 2015, and Section 8-30g of the Connecticut General Statutes, as amended. In furtherance of the foregoing, the forty (40) new units of housing and associated amenities located on the Premises shall be allocated as follows:

- (a) Eleven (11) units shall be affordable to households earning at or below sixty percent (60%) of the State Median Income; and
- (b) Twenty-Nine (29) units shall be affordable to households earning at or below eighty percent (80%) of the State Median Income.

15. The execution and delivery of a purchase option and right of first refusal agreement described in that certain Amended and Restated Limited Partnership Agreement of the Grantor, dated

as of the date hereof shall not constitute a default under this Mortgage of the Note or accelerate the maturity of the Loan. Any requisite consent of Grantee to (a) the exercise of said purchase option and right of first refusal agreement by the project sponsor identified therein and to (b) the assumption without penalty of Loan obligations by the project sponsor and the release of Grantor from such obligations, shall not be unreasonably withheld. Subject to any such consent requirement, the exercise of rights under such agreement shall not constitute a default or accelerate maturity of the Loan.

16. All provisions and promises in the Note secured hereby and any security agreement given in connection herewith, shall be and hereby are made and adopted as covenants of the Grantor and part of this Mortgage.

17. This mortgage shall constitute a security agreement and financing statement as provided in Section 42a-9-402(6) of the Connecticut General Statutes. Upon and after any default, the Grantee shall have all of the remedies of a secured party under the Uniform Commercial Code.

18. This Mortgage shall not be amended, modified or changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

19. All the covenants, conditions and agreements hereof shall bind the successors and assigns of the Grantor and shall inure to the benefit of and be available to the successors and assigns of the Grantee.

20. This is an "OPEN-END MORTGAGE" made pursuant to and subject to all of the terms and provisions of Section 49-2(c) of the Connecticut General Statutes and the holder hereof shall have all of the rights, powers and protection to which the holder of an OPEN-END MORTGAGE is entitled under Connecticut law. Upon request the Grantee may, in its discretion, make future advances to the Grantor, notwithstanding any repayments or prepayments of the outstanding principal balance of the Note. Any such future advance and the interest payable thereon shall be secured by this mortgage, equally with, and with the same priority over other claims as the original debt secured hereby when evidenced by promissory notes stating that the notes are secured hereby. At no time shall the principal amount of the debt secured by this mortgage exceed the original loan authorized, nor shall the maturity of any future advance secured hereby extend beyond the maturity of the original mortgage debt as set forth in the Note.

NOW THEREFORE, if all the agreements herein contained shall be fully and faithfully performed and said Note shall be well and truly paid in all respects according to its tenor, then this deed shall be void, otherwise to remain in full force and effect.

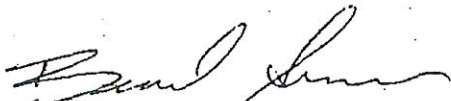
[SIGNATURE PAGE FOLLOWS]

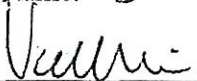
IN WITNESS WHEREOF, the Grantor has caused this instrument to be duly executed and delivered as of the 26 day of May, 2017.

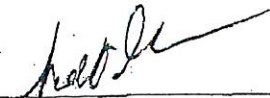
Signed, sealed and delivered  
in the presence of:

MILLPORT PHASE II  
LIMITED PARTNERSHIP

By: Millport Phase II GP Corporation  
Its General Partner

  
Print Name: Bernard A. Stampin

  
Print Name: Valerie M. Suiz

By:   
Name: Scott Hobbs  
Title: Chairman  
Hereunto Duly Authorized


STATE OF CONNECTICUT)

: ss. Stamford

May 26, 2017

COUNTY OF FAIRFIELD)

Personally appeared Scott Hobbs, known to me to be the Chairman of Millport Phase II GP Corporation, a Connecticut corporation, the general partner of Millport Phase II Limited Partnership, a Connecticut limited partnership, and that as such signer and sealer of the foregoing instrument acknowledged the execution of the same to be his/her free act and deed as such officer of such corporation, and the free act and deed of said limited liability company and limited partnership, before me.

  
Print Name: \_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_  
Commissioner of the Superior Court

*Signature page to Open-End Mortgage Deed*

**SCHEDULE A**  
**LEGAL DESCRIPTION**

All that certain piece, parcel or tract of land, being a portion of that new consolidated parcel, comprised of portions of former Assessor Lots 630, 644 and 644A, situated in the Town of New Canaan, County of Fairfield and State of Connecticut, being a portion of Parcel 630, 35 Millport Avenue and portion of Parcel 644 and 644A 57 Millport Avenue, shown as **PHASE II (SHADED AREA) AREA=64,982+/- SQ. FT. OR 1.4918+/- AC. (LEASEHOLD PARCEL)** and designated within shaded area on a map entitled **"ALTA/NSPS LAND TITLE SURVEY (PROPERTY SURVEY) 33, 35, 41, 57 & 65 MILLPORT AVENUE DEPICTING LEASE PARCEL II PROPERTY OF HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN NEW CANAAN, CONNECTICUT"** Sheets 1 and 2 of 2, dated May 19, 2017, Scale 1"=30', made by William W. Seymour & Associates, P.C., which map is or will be filed in the Office of the Town Clerk of New Canaan, more particularly bounded and described as follows:

Beginning at a point on the division line between land now or formerly of Medical Properties (Tax Lot 622, 173 East Avenue) and land now or formerly of The Housing Authority of The Town of New Canaan, said point lying north 57° 04' 20" west a distance of 92.74 feet and north 50° 38' 00" west a distance of 5.19 feet and north 57° 58' 00" west a distance of 24.93 feet and south 62° 37' 30" west a distance of 5.07 feet and north 45° 58' 50" west a distance of 70.39 feet from the intersection of said division line with the northwesterly line of Millport Avenue and further being the intersection of the easterly line of the herein described parcel (Phase II) with the aforesaid division line;

Thence, running generally southwesterly and in a clockwise direction south 44° 01' 10" west a distance of 100.00 feet and south 45° 58' 50" east a distance of 7.29 feet and south 44° 32' 10" west a distance of 52.74 feet and south 58° 41' 20" west a distance of 115.23 feet to a point;

Thence, running generally northwesterly and continuing in a clockwise direction north 42° 37' 20" west a distance of 137.25 feet to a point on the division line between the herein described parcel (Phase II) and land now or formerly of Gray Stone Condominiums (Tax Lot 647, 52-70 Lakeview Avenue);

Thence, running generally northeasterly and northwesterly and continuing in a clockwise direction along said land now or formerly of Gray Stone Condominiums (Tax Lot 647, 52-70 Lakeview Avenue) north 46° 03' 30" east a distance of 114.08 feet and north 46° 33' 30" west a distance of 127.44 feet to a point and land now or formerly of Essex Ridge Condominium (Tax Lot 642, 164-176 Summer Street);

Thence, running generally northeasterly and continuing in a clockwise direction along said land now or formerly of Essex Ridge Condominium (Tax Lot 642, 164-176 Summer Street) and land now or formerly of Old Forge Green Condominium (Tax Lot 621, 141-161 East Avenue), each in part, north 44° 16' 00" east a distance of 66.35 feet and north 42° 59' 00" east a distance of 115.70 feet to a point, said point being the northwesterly corner of the herein described parcel (Phase II);

Thence, running generally southeasterly and continuing in a clockwise direction along said land now or formerly of Old Forge Green Condominium (Tax Lot 621, 141-161 East Avenue) south 47° 24' 00" east a distance of 86.85 feet and south 49° 20' 00" east a distance of 55.50 feet and south 56° 38' 00" east a distance of 13.25 feet to the aforesaid division line between land now or formerly Medical Properties (Tax Lot 622, 173 East Avenue) and the herein described parcel (Phase II);

Thence, running generally southwesterly and southeasterly and continuing in a clockwise direction along said division line between land now or formerly of Medical Properties (Tax Lot 622, 173 East Avenue) and the herein described parcel (Phase II) south  $36^{\circ} 28' 00''$  west a distance of 46.84 feet and south  $45^{\circ} 58' 50''$  east a distance of 123.15 feet to the point of beginning.

the "Leasehold Parcel",

Together with the rights, provisions, terms and conditions set forth in an Easement Agreement by and among the Housing Authority of the Town of New Canaan, NCHA Mill Apartments Limited Partnership, Millport Phase I Limited Partnership and Millport Phase II Limited Partnership, and consented to by the State of Connecticut Department of Housing, People's United Bank, National Association, and Bankwell Bank, dated as of May 26, 2017, recorded in the New Canaan Land Records.

Such easements and rights of way are shown and depicted on a map entitled "COMPILATION PLAN 33, 35, 41, 57 & 65 MILLPORT AVENUE MAP DEPICTING LEASE PARCELS PROPERTY OF THE HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, NEW CANAAN, CONNECTICUT" dated December 18, 2015, Scale 1"=30 ft., by William F. Seymour & Associates, P.C., which map is filed in the Office of the Town Clerk of New Canaan as Map #7648, as:

"Easement Area Y", more particularly bounded and described as follows:

Beginning at a point on the former division line between properties known as 41 & 57 Millport Avenue, said point being further described as lying north  $09^{\circ} 47' 00''$  west a distance of 126.20 feet from the intersection of said former division line between said properties known as 41 & 57 Millport Avenue with the northwesterly line of Millport Avenue;

Thence, running alternately southwesterly and northwesterly south  $78^{\circ} 16' 50''$  west a distance of 44.25 feet and north  $38^{\circ} 03' 00''$  west a distance of 83.95 feet and south  $50^{\circ} 32' 40''$  west a distance of 14.66 feet and 8.41 feet along a tangent arc curving to the right having a radius of 5.00 feet and subtending a delta or central angle of  $96^{\circ} 19' 30''$  and 51.51 feet along an arc (compound and tangent) curving to the right having a radius of 107.00 feet and subtending a delta or central angle of  $27^{\circ} 34' 57''$  and south  $84^{\circ} 15' 50''$  west a distance of 25.00 feet and north  $43^{\circ} 56' 30''$  west a distance of 29.54 feet to a point on the division line between land of Housing Authority of the Town of New Canaan and land now or formerly of Gray Stone Condominiums;

Thence, running northerly along said division line between land of Housing Authority of the Town of New Canaan and known as 57 Millport Avenue and land now or formerly of Gray Stone Condominiums north  $46^{\circ} 03' 30''$  east a distance of 27.34 feet to a point;

Thence, running southeasterly and northeasterly through said land of Housing Authority of the Town of New Canaan and known as 57 Millport Avenue south  $42^{\circ} 37' 20''$  east a distance of 137.25 feet and north  $58^{\circ} 41' 20''$  east a distance of 115.23 feet to a point on the former division line between properties known as 41 & 57 Millport Avenue;

Thence, running southwesterly along said former division line between properties known as 41 & 57 Millport Avenue south  $44^{\circ} 32' 10''$  west a distance of 62.12 feet to a point;

Thence, running southeasterly and southwesterly through said land of Housing Authority of the Town of New Canaan and known as 41 Millport Avenue south  $29^{\circ}09'35''$  east a distance of 23.65 feet and south  $60^{\circ}50'25''$  west a distance of 8.32 feet to a point on the former division line between properties known as 41 & 57 Millport Avenue;

Thence, running southeasterly along said former division line between properties known as 41 & 57 Millport Avenue south  $09^{\circ}47'00''$  east a distance of 25.08 feet to the point of beginning.

And "**Driveway Easement Parcel**" shown and depicted as "Proposed Driveway Easement for Phase II" on a map entitled "COMPILATION PLAN 33, 35, 41, 57 & 65 MILLPORT AVENUE MAP DEPICTING DRIVEWAY EASEMENTS PROPERTY OF THE HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN, NEW CANAAN, CONNECTICUT" dated December 18, 2015, Scale 1"=30 ft., Scale 1"=30 ft., by William F. Seymour & Associates, P.C., which map is filed in the Office of the Town Clerk of New Canaan as Map #7649, bounded and described as follows:

Beginning at a point on the northwesterly line of Millport Avenue, said point lying north  $78^{\circ}17'30''$  east 1.87 feet of the intersection of the former division line between properties known as 65 & 57 Millport Avenue with said northwesterly line of Millport Avenue;

Thence, running northerly and northwesterly a distance of 10.52 feet along an arc curving to the left having a radius of 30.00 feet and subtending a central or delta angle of  $20^{\circ}05'35''$  and having a chord bearing of north  $01^{\circ}39'42''$  west and north  $11^{\circ}42'30''$  west a distance of 69.75 feet and north  $38^{\circ}03'00''$  west a distance of 103.11 feet and 80.59 feet along an arc curving to the right having a radius of 131.00 feet and subtending a central or delta angle of  $35^{\circ}14'45''$  to a point;

Thence, running northeasterly along the northerly terminus of the herein described easement north  $84^{\circ}15'50''$  east a distance of 24.00 feet to a point;

Thence, running southeasterly and southerly a distance of 54.96 feet along an arc curving to the left having a radius of 107.00 feet and subtending a central or delta angle of  $29^{\circ}25'40''$  and south  $38^{\circ}03'00''$  east a distance of 120.81 feet and south  $11^{\circ}42'30''$  east a distance of 67.12 feet and 20.00 feet along an arc curving to the left having a radius of 30.00 feet and subtending a central or delta angle of  $38^{\circ}11'39''$  and having a chord bearing of south  $30^{\circ}48'19''$  east to the aforesaid northwesterly line of Millport Avenue;

Thence, running southwesterly along said northwesterly line of Millport Avenue south  $78^{\circ}17'30''$  west a distance of 32.25 feet to the point of beginning.

(hereinafter, the "Easement Parcels").

Together with the rights, provisions, terms and conditions set forth in a Ground Lease from the Housing Authority of the Town of New Canaan to Millport Phase II Limited Partnership, a Notice of which is dated as of May 26, 2017, and recorded, or to be recorded, in the New Canaan Land Records.

All of the above hereinafter referred to as the "Land".



*SCHEDULE A-1*  
Encumbrances

AS TO MILLPORT PHASE II LIMITED PARTNERSHIP LEASEHOLD PARCEL

Encumbrances shown on Schedule B of First American Title Insurance Company OWNER  
POLICY NO. 5011400-1718609e dated on or about May 26, 2017

COPY

PROMISSORY NOTE

Up to \$900,000.00

Effective as of May 16, 2017

FOR VALUE RECEIVED, the undersigned, **MILLPORT PHASE II LIMITED PARTNERSHIP**, a Connecticut limited partnership, with a principal place of business at 57 Millport Avenue, New Canaan, Connecticut 06840 (the "Borrower"), unconditionally promises to pay to the order of the **HOUSING AUTHORITY OF THE TOWN OF NEW CANAAN**, a municipal housing authority duly organized and existing pursuant to the laws of the State of Connecticut, having an address at 57 Millport Avenue, New Canaan, Connecticut 06840 (the "Lender"), the maximum principal amount of up to **NINE HUNDRED THOUSAND AND 00/100 DOLLARS (\$900,000.00)**. The Borrower further agrees to pay all taxes levied or assessed upon said principal sum against the payee or holder of this "Note" (except income taxes) and all costs of collection, including reasonable attorneys' fees, incurred by Lender or by the holder of this Note in any action to collect this Note or to enforce the "Mortgage" (as defined below), whether or not suit is brought.

The Borrower agrees to pay interest at a rate of two percent (2%), based on a year of 360 days, which interest shall accrue annually; provided, however, that interest payable on the first and last month shall be based on the number of days actually elapsed during which the principal was outstanding.

The unpaid principal amount hereunder and all interest accrued thereon shall become due and payable forty (40) years from the date hereof (the "Maturity Date"). Subject to Section 4.8 of that certain Loan Agreement (and Security Agreement), dated as of May 1, 2017, by and among the Borrower, the Lender and Bankwell Bank, the Borrower may prepay at any time any part or all of the unpaid principal balance.

Principal is payable in lawful money of the United States of America to the Lender at the address above, or at such other place as the holder of this Note shall from time designate, in immediately available funds.

This Note is secured by a leasehold mortgage dated of even date herewith relating to a leasehold interest in that certain property situated in the Town of New Canaan, the County of Fairfield and the State of Connecticut (the "Mortgaged Premises") as more particularly described in the Open-End Leasehold Mortgage Deed securing this Note (the "Mortgage"), recorded or to be recorded in the Land Records of the Town of New Canaan in the State of Connecticut.

This Note is a nonrecourse obligation of the Borrower. Neither the Borrower, nor the general or limited partners of the Borrower, nor any other party shall have any personal liability for repayment of this Note. The sole recourse of the Lender for repayment of this Note shall be the exercise of its rights under the Mortgage.

Each of the following events or conditions shall be an "Event of Default" under this Note: (a) failure of the Borrower to pay any of its liabilities or obligations to Lender (whether under this Note or the Mortgage) for more than ten (10) days from the date due to be paid; or (b) failure

Sponsor Note

by the Borrower to comply with the terms of, or the occurrence of an Event of Default under the Mortgage, or any other agreement which may secure this Note beyond any applicable grace period.

Upon notice in writing to the Borrower and to the limited partners of the Borrower of the occurrence of an Event of Default specified above, then, and in any such event, the Borrower and the limited partners of the Borrower shall have ninety (90) days within which to cure such Event of Default, provided, however, that if such Event of Default has not been cured upon the expiration of such ninety (90) day period, then, in any such event, and notwithstanding any other provisions of this Note, the entire unpaid principal sum hereof and any late charges, as specified above, shall immediately become due and payable, without the necessity for presentment, protest, demand or other notice of any kind, all of which are expressly waived, at the option of Lender or the holder hereof.

No failure on the part of the Lender or holder of this Note to exercise and no delay in exercising any right, remedy or power hereunder or under any other document or agreement executed in connection herewith shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender or holder of this Note of any right, remedy or power hereunder or under any other document or agreement executed in connection herewith preclude any other or future exercise of any other right, remedy or power.

Any delay on the part of the holder hereof in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted for one occasion shall not operate as a waiver in the event of any subsequent default. It is hereby agreed that any extension or extensions of time of payment of any sum or sums payable hereunder, which may be granted by the holder of this Note before, at or after maturity at the request of the Borrower shall be binding upon the Borrower which shall continue to be bound for all payments under this Note.

This Note is executed and delivered in the State of Connecticut and is to be governed by and construed in accordance with the laws of the State of Connecticut.

THE BORROWER AND THE LENDER SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY THE LENDER OR THE BORROWER AGAINST THE OTHER TO ENFORCE THIS NOTE OR ON ANY OTHER MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS NOTE.

THE BORROWER HEREBY ACKNOWLEDGES THAT THE LOAN EVIDENCED HEREBY WILL BE USED EXCLUSIVELY FOR BUSINESS AND COMMERCIAL PURPOSES AND HEREBY WAIVES PRESENTMENT, PROTEST AND NOTICE OF DISHONOR AND ANY OTHER FORMALITIES WHICH MAY AFFECT OR IMPEDE THE RIGHT OF THE HOLDER OF THIS NOTE TO EXERCISE ITS RIGHTS OR TO COLLECT THE SUMS DUE HEREUNDER, INCLUDING, WITHOUT LIMITATION, ANY AND ALL RIGHTS UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, AS THE SAME MAY BE AMENDED, OR UNDER SIMILAR LAWS THAT MAY BE HEREAFTER ENACTED, OR AS OTHERWISE ALLOWED BY ANY STATE OR

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FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE LENDER OR THE HOLDER HEREOF MAY USE.

In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate, or would prospectively operate, to invalidate this Note, then, and in any such event, such provision or provisions only shall be deemed null and void and of no force or effect and shall not affect any other provision of this Note, and the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable, and shall in no way be affected, prejudiced or disturbed thereby.


The Mortgage and this Note shall be automatically subordinate and subject to any bona fide mortgage, assignment of leases and rents, declaration of restrictive covenants, loan or security agreement, and/or any other collateral or financing instruments recorded or to be recorded on the Mortgaged Premises (and any modifications or amendments thereto in any respect) to be granted in favor of any governmental, quasi-governmental, state, public or federal agency or department or any financial institution or lending organization relating to the acquisition, development, financing and/or construction of a certain 40-unit affordable housing project to be constructed upon the Mortgaged Premises.

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

BORROWER:

MILLPORT PHASE II LIMITED PARTNERSHIP

By: Millport Phase II GP Corporation  
Its General Partner

By:   
Name: Scott Hobbs  
Title: Chairman  
Hereunto Duly Authorized

Received for record on 6-1-17 at 1:45 pm  
and recorded by Claudia A. Weber  
TOWN CLERK

25199\3\3662227.v5

Sponsor Note

SPECTRUM SEMINARS, INC.  
www.spectrumseminars.com  
steve.rosenblatt@spectrumseminars.com



SPECTRUM ENTERPRISES, INC.  
www.spectrumlihtc.com  
info@spectrumlihtc.com

75 John Roberts Road  
Suite 2C  
South Portland, ME 04106  
207-767-8000

October 23, 2023

Mr. Scott Hobbs  
Millport Phase II LP  
57 Millport Ave.  
New Canaan, CT 06840

RE: Monitoring for Low Income Housing Tax Credit (LIHTC) Compliance in Connecticut:  
**Summary Report**

Property: **Millport Phase II – CT-16408**

Dear Mr. Hobbs:

Enclosed please find a summary of our monitoring and findings of your property for this monitoring period covering the areas of review as noted in the Owner's Report Letter. We are required to report any findings we discover to the Internal Revenue Service. In instances where revisions have been requested and not received by the execution date of this letter, additional findings may be cited upon their reception and review. **As stated in the Code, Section 1.42-5(g) Liability: Compliance with requirements of Section 42 is the responsibility of the owner of the building for which the credit is allowable. The Agency's obligation to monitor for compliance with the requirements of Section 42 does not make the Agency liable for an owner's non-compliance.**

The results of our monitoring of **Millport Phase II** are as follows:

- 1. Owner's Certifications:** The Owner's Certifications of Continuing Project Compliance received for **2020, 2021, and 2022** were reviewed. The results of that review are as follows:

The Utility Allowance was provided. The correct UAs are in place. **Issue cleared.**

- 2. Original Qualifying Basis and Minimum Set-Aside:** As determined by reviewing the first year Status Report database. The results of that review are as follows:

No issues.

- 3. Status Reports:** The SPECTRUM Status Report database received was reviewed for compliance in **2020, 2021, and 2022** using **Stamford-Norwalk MSA** income limits. The results of that review are as follows:

Unit 311 was vacant from 8/31/2022 to 12/31/2022. This unit was occupied on 1/1/2023. The cause of the extended vacancy was that the tenant slated to transfer into this unit on 10/15/2022, had to put their transfer on hold due to a family issue, so management transferred another qualified tenant into the unit on 1/1/2023. **Issue cleared.**

Unit 323 Unit 323 was vacant from 5/31/2022 to 12/31/2022. This unit was occupied on 8/1/2022. The move-in was recorded in the EOY Database/Unit History Report. It has been corrected. **Issue cleared.**

Unit 328 was vacant from 8/4/2022 to 12/31/2022. This unit was occupied on 3/1/2022. The cause of the extended vacancy was the previous tenant was evicted and left the unit in a state of disarray as well as left all of their furniture in the unit. It was during this time that maintenance performed the necessary repairs, to include moving the furniture out of the unit. **Issue cleared.**

Unit 425/Almasan

At the 1/1/2019 move-in, this three-person household had an annual income of \$74-100. At the first annual certification on 1/1/2020, this three-person household had an annual income of \$91,182. The applicable limit was \$77,940. At the move-in the co-head of household was employed, but the head of household was not. The head of household obtained employment at the end of 2019. This could not have been anticipated at the 1/1/2019 move-in. **Issue cleared.**

- 4. Physical Inspection:** The physical inspection was conducted on 8/14/2023. Two buildings (BINs CT-16408-01 to CT-16408-02), all common areas, and the designated number of the LIHTC units were inspected. All CHFA Inspection Standards and Guidelines were adhered to with the following repairs noted/required:

No issues.

- 5. Tenant/Administrative File Review:** The file review was conducted on 8/14/2023. The designated number of the LIHTC files were selected for review. Leases, move-in verifications, certifications, and rents were reviewed. The results of that review are as follows:

No issues.

## **FINDINGS:**

None.

**COMMENTS:**

This completes our compliance monitoring for this period. Thank you for your cooperation with our monitoring and special thanks to management and staff for their cordiality and assistance.

If you have any questions, please do not hesitate to contact us at (207) 805-0039.

Sincerely,

A handwritten signature in blue ink that reads "William B. Whalen". The signature is fluid and cursive.

William B. Whalen, C15P  
Compliance Analyst

cc: Andrew Bowden, Spectrum Enterprises  
Joe Voccio, Connecticut Housing Finance Authority  
Catherine Webb, Connecticut Housing Finance Authority  
Wendy Moores, Connecticut Housing Finance Authority  
Scott Sato-Connell, Connecticut Housing Finance Authority