

# DOCUMENTATION OF ELIGIBILITY FOR CERTIFICATE OF AFFORDABLE HOUSING COMPLETION

**Project Name and Address**

Hillcrest (originally known at Hillstead)

25 Gerber Road

South Windsor, CT 06074

**Projects Owner's Name and Address**

The Metro Realty Group, LTD

6 Executive Drive, Suite 100

Farmington, CT 06032

**Person or Entity Responsible for Compliance**

The Metro Realty Group, LTD

6 Executive Drive, Suite 100

Farmington, CT 06032

**Description of Project:** 66 Affordable Elderly Rental Units in four buildings

The Planning and Zoning Commission approved the project under Section 4.11 Housing for the Elderly on January 27, 2004. The approval granted to allow an additional 88 units (the regulations only allowed a maximum of 200 units in town) as well as allow a residential development in the Industrial zone.

This project was submitted as a friendly CGS 8-30G and Financed through CHFA.

Included in this summary is:

Original approval letter

Affordability Plan for Hillstead (renamed to Hillcrest)

Declaration and Land Use Restricted Covenants

Rent Rolls – Redacted

Zoning regulation 4.11 housing for the Elderly





## *Town of South Windsor*

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074  
TELEPHONE (860) 644-2511

December 14, 2007

Karen M. Isherwood, P.E.  
Design Professionals, Inc.  
425 Sullivan Avenue  
South Windsor CT 06074

Dear Ms. Isherwood:

Re: Approval of Appl.07-61P, Hillstead Senior Housing Special Exception/Site Plan

We are pleased to advise you that the Planning & Zoning Commission voted on December 11, 2007, to approve with modifications the above referenced application for a special exception to Article 4.1.1 and a Site Plan of Development.

This approval is for the construction of an 88 unit elderly housing development on property located on 25 Gerber Road East of I zone, as shown on plans prepared by Design Professionals, Job No 2525 dated 10/5/07, as revised. This approval is subject to the following modifications:

1. Prior to commencement of any site work, a meeting must be held with Town Staff.
2. No building permit will be issued until the final mylars have been filed in the Town Clerk's office.
3. This application is subject to the conditions of approval of the Inland Wetlands Agency/Conservation Commission, including a \$50,000 to ensure compliance with the erosion and sediment control measures and a bond in the amount of \$25,000 for stormwater structures and establishment of vegetation within the detention basin.
4. An as-built plan is required prior to issuance of a Certificate of Occupancy per Section 8.1.10 of the Zoning Regulations.
5. A landscape bond in the amount of \$10,000 is required and must be submitted prior to filing of mylars.
6. All plans used in the field by the developer must bear the stamp and authorized signature of the Town of South Windsor.
7. WPCA approval is required.
8. The building(s) street number must be included on the final plan.
9. The Commission hereby grants waivers to the following sections of the South Windsor Zoning Regulations in accordance with the CGS §8-30g application status:

- Table 3.1.1(A) to allow 44% impervious coverage;
  - Section 6.6.3 to allow dumpsters within yard setbacks;
  - Section 6.5.7(A) to allow a second free-standing sign at the intersection of Kelly Road and Gerber Road East to assist residents, emergency service providers, and visitors in locating the entrance to the community; and
  - Section 6.4.6 to allow reduced parking lot landscaping.
10. Town Engineer's review comments dated December 11, 2007, must be addressed to the Town Engineer's satisfaction.
  11. The new Gerber parking lot with parking spaces that are 9' x 18' must be hairpin striped per section 6.4.5.F of the zoning regulations.
  12. A sidewalk connector must be added between Gerber Road East and the new road in the vicinity of Building
  13. The feasibility of a safe pedestrian crossing at Kelly Road must be examined by the applicant in conjunction with Town staff, with a staff recommendation to the Commission.

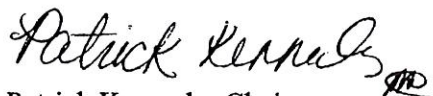
The attached Special Exception form must be completed and filed in the Town Clerk's office. The special exception will take effect upon filing.

Black and white transparent mylars of Sheet # 3, 3A with the above modifications, together with three blueprint copies of the entire set of plans (including architectural elevations and landscaping plans) must be submitted to this Commission within 30 days to be stamped and signed. The letters of approval of this Commission as well as the Inland Wetlands Agency/Conservation Commission must be reproduced on the mylars.

After the mylars have been signed by the Commission, they will be returned to you for filing in the Office of the Town Clerk. After filing these plans, a copy of the receipt must be submitted to the Planning Department.

The attached special exception form must be completed and filed in the Town Clerk's office. The special exception will take effect upon filing.

Sincerely,



Patrick Kennedy, Chairman  
Planning and Zoning Commission

PK/ma

cc: Town Engineer  
Chief Building Official  
Assessor  
Superintendent of Pollution Control  
Fire Marshal

I, Patrick Kennedy, Chairman of the South Windsor Planning & Zoning Commission, hereby certify that on December 11, 2007, the Planning and Zoning Commission granted to The Hillstead a special exception to Article 4.1.1 of the Zoning Regulations for the construction of an elderly housing development located 25 Gerber Road, I zone.

Assessor's Map and Parcel Number: Map # 55 Parcel # 71-1  
More particularly bounded and described as follows:

SEE ATTACHED DESCRIPTION

OWNER OF RECORD: The Hillstead

Dated at South Windsor, Connecticut this 14 day of December, 2007.

In accordance with CGS Section 8-3d

Patrick Kennedy  
Patrick Kennedy, Chairman  
Planning & Zoning Commission

Received for record this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at

South Windsor, Connecticut

ATTEST:



Metes & Bounds Description  
25 Gerber Road  
South Windsor, Ct

Being that certain parcel of land in the Town of South Windsor, County of Hartford, State of Connecticut, as depicted on a plan entitled: "Plot Plan, Prepared for: The Hillstead, 25 Gerber Road, South Windsor, Connecticut, Date: October 5, 2007, Scale 1" = 40', Design Professionals Inc." being more particularly bounded and described as follows:

Beginning at a monument on the southerly right-of-way line of Kelly Road;

Thence in an easterly direction along the southerly right-of-way line of Kelly Road, on a curve to the left having a central angle of  $17^{\circ}54'48''$ , a radius of 772.00 feet, and an arc length of 241.36 feet to a point;

Thence  $N89^{\circ}04'07''E$  along the southerly right-of-way line of Kelly Road, 213.61 feet to a point;

Thence  $N89^{\circ}27'46''E$  along the southerly right-of-way line of Kelly Road, 186.72 feet to a point;

Thence  $S43^{\circ}28'59''E$  along the westerly right-of-way line of Gerber Road East, 44.32 feet to a point;

Thence  $S11^{\circ}18'05''W$  along the westerly right-of-way line of Gerber Road East, 684.96 feet to a point;

Thence  $N81^{\circ}34'14''W$  along the northerly property line of land now or formerly Gerber Scientific Inc., 445.80 feet to a point on the easterly property line of land now or formerly Gerb (CT) QRS 14-73 Inc.;

Thence  $N18^{\circ}31'18''E$  along the easterly property line of Gerb (CT) QRS 14-73, Inc., 219.29 feet to a point;

Thence  $N70^{\circ}52'40''W$  along the northerly property line of Gerb (CT) QRS 14-73, Inc., 391.88 feet to a point on the easterly right-of-way line of Gerber Road West;

Thence  $N19^{\circ}07'20''E$  along the easterly right-of-way line of Gerber Road West, 364.73 feet to a point on the southerly right-of-way line of Kelly Road;

Thence  $S68^{\circ}31'50''E$  along the southerly right-of-way line of Kelly Road, 89.45 feet to the point and place of beginning.

Said parcel contains 9.579 acres.



## Town of South Windsor

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074  
TELEPHONE (860) 644-2511

December 14, 2007

### CERTIFIED MAIL

7007 1490 0000 3753 7126

Karen M. Isherwood, P.E.  
Design Professionals, Inc.  
425 Sullivan Avenue  
South Windsor CT 06074

Dear Ms. Isherwood:

Re: Approval of Appl.07-61P, Hillstead Senior Housing

We are pleased to advise you that the Planning & Zoning Commission voted on December 11, 2007, to approve with modifications application #07-61P, subdivision on 9.5 acres to create 1 lot to be known as The Hillstead on property located on 25 Gerber Road, I zone as shown on plans prepared by Design Professionals, project #2525 and dated 10/5/07, as revised. This approval is subject to the following modifications:

1. This approval is for 1 lot, numbered Lot 5.
2. Drainage and construction for this subdivision is subject to the approval of the Town Engineer.
3. All lots shall be serviced by the Town of South Windsor sanitary sewer system and are subject to the approval of the Water Pollution Control Authority.
4. Water shall be supplied to this subdivision by public water.
5. Locations of fire hydrants are subject to the approval of the Fire Marshal of the Town of South Windsor.
6. All plans used in the field by the developer must bear the stamp and authorized signature of the Town of South Windsor.
7. All easements for conservation purposes, drainage or utilities, that may be required in connection with the approval of this subdivision, must be submitted on standard Town easement form where appropriate, to this Commission prior to filing the mylars and issuance of building permits. All deeds for open space, public improvements and roadways must be submitted prior to request for Town acceptance; all deeds must be in accordance with the policy for accepting deeds and must be approved by the Engineering Department and Town Attorney.
8. If, for any reason, finished grading and other individual lot site work is not completed, the Town Engineer shall determine the amount of a cash bond to ensure final grading and site work. This cash bond must be submitted prior to issuance of a Certificate of Occupancy.




9. Quantity estimates must be submitted to the Town Engineer (on the enclosed form) for the purpose of determining subdivision bonding. All bonds shall conform to the enclosed bond policy and shall be posted prior to filing the final plans in the Town Clerk's office.
10. If the developer chooses to submit a Letter of Credit for a one year term, said Letter of Credit must be renewed on a yearly basis until completion of the development. If a new Letter of Credit has not been received within 30 days before the expiration date, the Commission may, at its option, call the Letter it is holding.
11. A drainage assessment fee in the amount of \$50 shall be submitted to this Commission.
12. The Town Engineer's review comments dated December 11, 2007, must be addressed to the Town Engineer's satisfaction.
13. No building permits will be issued until all modifications have been complied with, and the final plans have been filed in the Town Clerk's office.

Black and white transparent mylars of Sheets # 3, 3A with the above modifications, together with three blueprint copies of the entire set of plans must be submitted to this Commission within 30 days to be stamped and signed. The letters of approval of this Commission, as well as the Inland Wetlands Agency/Conservation Commission, must be reproduced on the mylars.

After mylars have been signed by the Commission, they will be returned to you for filing in the Office of the Town Clerk. After filing these plans, a copy of the receipt must be submitted to the Planning Department.

Sincerely,

  
Patrick Kennedy, Chairman  
Planning and Zoning Commission

PK/ma

Enclosures

cc: Town Engineer  
Chief Building Official  
Assessor  
Superintendent of Pollution Control  
Fire Marshal  
Board of Education  
Registrars

Attachments:

Deed/easement policy  
Bonding policy  
Quantity Estimate  
Lighting policy

## **AFFORDABILITY PLAN FOR "THE HILLSTEAD" RESIDENTIAL COMMUNITY**

### **I. Homes Designated as Affordable Units.**

No less than seventy-five percent (75%) (66 of the 88 units) of the total units of The Hillstead development will be designated and preserved as affordable housing, as defined by C.G.S. § 8-30g. The market rate units (twenty-five percent [25%]; 22 of the 88 units) will be dispersed in all four (4) buildings throughout the senior affordable rental Community in a manner approved by Connecticut Housing Finance Authority ("CHFA"). All affordable units are collectively referred to herein as "Affordable Units". The designation of Affordable Units is provided in Schedule B, attached hereto.

### **II. Forty Year Period.**

The Affordable Units shall be designated as Affordable housing units for forty (40) years. The forty (40) year affordability period shall begin on the date of the certificate of occupancy issued by the Town of South Windsor for the 66<sup>th</sup> Affordable Unit in the Community.

### **III. Dispersion and Construction of the Affordable Units.**

The dispersion of the Affordable Units shall be identified on the reporting form identified in Section V of this agreement. "Dispersion" as used in this Plan does not require identical percentages in each sub-area of the development. The Town of South Windsor shall not issue building permits for the market rate units or certificates of occupancy for market rate units prior to the start of construction of an equal number of Affordable Units. Building permits and certificates of occupancy for market rate units will be issued based upon the 1:1 ratio described above, so that, for every market rate unit, an Affordable Unit building permit must be issued and, for every market rate certificate of occupancy, an Affordable Unit certificate of occupancy must be issued.

### **IV. Nature Of Construction Of Affordable Units And Market-Rate Units.**

Within The Hillstead, Affordable Units shall be no less than the square footage set forth in the approved site plan, as on file with the South Windsor Town Planning and Zoning Commission, and shall be, at a minimum, constructed in conformance with the specifications referenced in Schedule C of this Plan.

### **V. Entity Responsible For Administration And Compliance.**

This Affordability Plan will be administered by Housing Management, LLC, an affiliate of the Applicant whose address is c/o The Metro Realty Group, Ltd., 6 Executive Drive, Suite 100, Farmington, Connecticut 06032, or its designees, successors and assigns ("Administrator"). Housing Management, LLC represents that its staff has the experience necessary to administer this Plan. The



Administrator shall submit a written status report to the South Windsor Planning and Zoning Commission on compliance with this Affordability Plan annually on or before March 31 of the following year. The role of Administrator may be transferred or assigned to another entity, provided that such entity has the experience and qualifications to administer this Plan. In the event of any assignment of the role of Administrator, Housing Management, LLC as the case may be, or its successors will provide prior written notice to the South Windsor Town Planning and Zoning Commission. The Administrator shall not allow to be recorded on the land records or otherwise imposed on an approved site plan any private restriction or covenant that will or may conflict with any obligation or procedure stated in this Plan. Such administration shall expressly include but not be limited to oversight and reporting to ensure ongoing compliance with the maximum rental and maximum sale/resale price stated in Section X of this Plan.

**VI. Notice Of Initial Rental Or Sale Of Affordable Units.**

Except as provided in Section IX, the Administrator shall provide notice of the initial availability for rental of each Affordable Unit. Such notice shall be provided, at a minimum, by advertising at least two times in a newspaper of general circulation in the Town of South Windsor ("Town"). The Administrator shall also provide such notice to the Town of South Windsor Housing Authority. Such notice shall include a description of the available Affordable Unit(s), the eligibility criteria for potential tenants/purchasers, the maximum rent (as hereinafter defined), and the availability of application forms and additional information. All such notices shall comply with the federal Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.* and the Connecticut Fair Housing Act, C.G.S. §§ 46a-64b, 64c (together, the "Fair Housing Acts"). The Hillstead has separately agreed to give priority to persons on the Town of South Windsor Housing Authority waiting list, a copy of which letter of commitment is attached hereto as Exhibit A.

**VII. Affirmative Fair Housing Marketing Plan.**

The rental of Affordable Units and market-rate units in The Hillstead shall be publicized, utilizing all applicable State and Federal regulations for affirmative fair housing marketing programs as guidelines. The Administrator shall also comply with the affirmative fair marketing requirements of the CHFA and the State of Connecticut Department of Economic and Community Development ("DECD"), both of which are long term mortgage lenders to The Hillstead development. The Applicant's Affirmative Fair Marketing Plan is attached as Schedule F hereto.

**VIII. Application Process.**

A family or household seeking to rent one of the Affordable Units ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with all applicable State and Federal regulations for affirmative fair housing marketing programs. The Administrator shall also assure that the application form and process comply with the affirmative fair



marketing requirements of the CHFA and the DECD, both of which are long term mortgage lenders to The Hillstead development.

A. *Application Form.*

The application form shall be provided by the Administrator and shall include an income pre-certification eligibility form and an income certification form. In general, income for purposes of determining an Applicant's qualification shall include the Applicant family's total anticipated income from all sources for the twelve (12) month period following the date the application is submitted ("Application Date"). If the Applicant's financial disclosures indicate that the Applicant may experience a significant change in the Applicant's future income during the twelve (12) month period, the Administrator shall not consider this change unless there is a reasonable assurance that the change will in fact occur. The Applicant's income need not be re-verified after the time of initial purchase/rental. In determining what is and is not to be included in the definition of family annual income, the Administrator shall use the criteria set forth by HUD and listed on Schedule D, attached.

B. *Applicant Interview.*

The Administrator shall interview an Applicant upon submission of the completed application. Specifically, the Administrator shall, during the interview, undertake the following.

1. Review with the Applicant all the information provided on the application.
2. Explain to the Applicant the requirements for eligibility, verification procedures, and the penalties for supplying false information.
3. Verify that all sources of family income and family assets have been listed in the applicant. The term "family" shall be as defined by the Zoning Regulations of the Town of South Windsor.
4. Request the Applicant to sign the necessary release forms to be used in verifying income. Inform the Applicant of what verification and documentation must be provided before the application is deemed complete.
5. Inform the Applicant that a certified decision as to eligibility cannot be made until all items on the application have been verified.

C. *Verification of Applicant's Income.*

Where it is evident from the income certification form provided by the Applicant that the Applicant is not eligible, additional verification procedures shall not be necessary. However, if the Applicant appears to be eligible, the Administrator shall issue a pre-certification letter. The letter shall indicate to the Applicant and the Administrator that the Applicant is income eligible, subject to the verification of the information provided in the Application. The letter will notify the Applicant that he/she will have thirty (30) days to submit all required documentation.

If applicable, the Applicant shall provide the documentation listed on Schedule E attached hereto, to the Administrator. This list is not exclusive, and the Administrator may require any other verification or documentation, as the Administrator deems necessary.

**IX. Prioritization Of Applicants For Initial Rental or Sale.**

First priority for the initial rental of apartments units at The Hillstead shall be afforded to persons on the Town of South Windsor Housing Authority ("Housing Authority") waiting list as set forth in the commitment from Applicant to the Housing Authority, a copy of which is attached as Exhibit A hereto. After first priority is afforded to persons on the Housing Authority waiting list, in the event that the number of qualified Applicants exceeds the number of Affordable Units during initial leasing, then the Administrator shall hold a lottery, subject to the requirements of CHFA and/or DECD. A lottery shall not be required to be held for any subsequent (i.e., after initial lease-up) rental of an Affordable Unit.

Employees of the Town who meet the eligibility criteria shall be given preference, prior to the conducting of a lottery, in the initial purchase or sale/resale purchase or rental of twenty percent (20%) of the Affordable Units. "Employee of the Town" shall mean a full time employee of the Town or of the South Windsor Board of Education. If a purchase and sale agreement or rental agreement with a Town or Board of Education employee is not executed within forty-five (45) days of the initial notice, the home may then be sold or rented without any preference. This preference category is subject to revision as may be required by the federal Office of Fair Housing and Equal Opportunity, CHFA or DECD.

**X. Maximum Rental Or Sale/Resale Price.**

- Rents will be restricted for forty-four (44) two bedroom units. These Affordable Units may not be occupied by families or individuals whose incomes exceed sixty percent (60%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County.
- Rents will be restricted for four (4) one-bedroom units. These Affordable Units may not be occupied by families or individuals whose incomes exceed twenty-five percent (25%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County as reported each year by CHFA.
- Rents will be restricted for ten (10) one-bedroom units. These Affordable Units may not be occupied by families or individuals whose incomes exceed fifty percent (50%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County as reported each year by CHFA.
- Rents will be restricted for eight (8) one-bedroom units. These Affordable Units may not be occupied by families or individuals whose incomes exceed sixty percent (60%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County as reported each year by CHFA.



- Seven (7) one-bedroom units and fifteen (15) two-bedroom units will be rented at market rates.

For fiscal year 2007, the Hartford MSA "Area Median Income" is \$80,300. All of the applicable rental rates and income levels shall be adjusted annually to reflect the most recent figures published by CHFA. Below are the projected rental rates for the first year of occupancy of rental units and would increase each year thereafter in accordance with annual figures published by CHFA and if CHFA no longer publishes such figures, by HUD. Rents will be adjusted annually after 2007 to reflect adjustment to utility allowances issued from time to time by the South Windsor Housing Authority.

Maximum Allowable Rents - Year (2007)

Rent and income figures change each year as per "Schedule of Maximum Affordable Gross Rent and Income Limits" circulated by the Connecticut Housing Finance Authority. Utility Allowances change each year based upon South Windsor Housing Authority.

No. Units	Unit Type	Unit Rent	Utility Est. Allowance	Max. Income 1 person	Max. 2 pers.
4	1BR, Qual. @ 25% AMI	\$289	\$87	\$13,175	\$15,075
10	1BR, Qual. @ 50% AMI	\$665	\$87	\$26,350	\$30,150
8	1BR, Qual. @ 60% AMI	\$816	\$87	\$31,620	\$36,180
44	2BR, Qual. @ 60% AMI	\$966	\$113	\$31,620	\$36,180
7	1BR, Mkt. @ 150% AMI	\$1150	n/a	\$113,025	\$113,025
15	2BR, Mkt. @150% AMI	\$1355	n/a	\$113,025	\$113,025

When calculating the Maximum Affordable Gross Rent, household size adjustments assume occupancy by 1.5 persons per bedroom, and shall use the adjustment formula utilized by HUD and reported by CHFA captioned "Schedule of Maximum Affordable Gross Rent and Income Limits," a copy of which is attached as Exhibit B hereto. If for any reason CHFA shall no longer publish the "Schedule of Maximum Affordable Gross Rent and Income Limits," all of the foregoing rental and income limits shall be derived directly from HUD.

**XI. Principal Residence.**

Affordable Units shall be occupied only as an owner's or tenant's principal residence. Sub-leasing by the tenant shall be prohibited.

**XII. Requirement To Maintain Condition.**

Applicant is responsible to ensure that all tenants maintain their units. No tenant shall destroy, damage or impair any apartment unit, allow any apartment unit to deteriorate, or commit waste. When an Affordable Unit is offered again for sale or rental, the Administrator shall cause the Affordable Unit to be inspected.

### **XIII. Change Of Income Or Qualifying Status Of Tenant Of Rental Unit.**

If the Administrator becomes aware, at the time of annual income certification or earlier, that a Affordable Unit within The Hillstead is rented to a tenant whose income exceeds the applicable qualifying maximum, or if the tenant otherwise becomes disqualified, Applicant must follow the "next available unit rule" prescribed by Section 42 of the Internal Revenue Code, a copy of which section is attached as **Exhibit C** hereto, wherein the next available market rate unit in the building in question will be leased to a qualified low income household and the unit occupied by the over income household shall become a market rate unit for purposes of this Agreement. So long as these procedures are followed, The Hillstead shall not be out of compliance with the minimum.

### **XIV. Resale Of An Affordable Unit.**

After the expiration of all applicable CHFA and DECD guidelines prohibiting the sale of an apartment unit, an Owner may sell an Affordable Unit within The Hillstead at any time, provided the Owner complies with (i) the restrictions concerning the sale of homes as set forth in this Affordability Plan, and (ii) all applicable CHFA and DECD guidelines, rules and regulations. If the Owner wishes to sell, the Owner shall notify the Administrator in writing. The Administrator shall then work with the Owner to calculate a Maximum Sale Price, as set forth above. The Administrator shall publish notice in the same manner as was followed for the initial sale. The Administrator shall bring any purchase offers received to the attention of the Owner.

The Owner may hire a real estate broker or otherwise individually solicit offers, independent of the Administrator's action, from potential purchasers. The Owner shall inform any potential purchaser of the affordability restrictions before any purchase and sale agreement is executed by furnishing the potential purchaser with a copy of this Affordability Plan. The purchase and sale agreement shall contain a provision to the effect that the sale is contingent upon a determination by the Administrator that the potential purchaser meets the eligibility criteria set forth in this Plan. Once the purchase and sale agreement is executed by the Owner and potential purchaser, the potential purchaser shall immediately notify the Administrator in writing. The Administrator shall have thirty (30) days from such notice to determine the eligibility of the potential purchaser in accordance with the application process set forth in Section VIII above. The Administrator shall notify the Owner and the potential purchaser of its determination of eligibility in writing within said thirty (30) day period. If the Administrator determines that the potential purchaser is not eligible, the purchase and sale agreement shall be void, and the Owner may solicit other potential purchasers. If the Administrator determines that the potential purchaser is eligible, the Administrator shall provide the potential purchaser and the Owner with a signed certification to the effect that the sale of the particular Affordable Unit has complied with the provisions of this Affordability Plan.

In the event of any sale or transfer of a Affordable Unit by the Owner pursuant to this Paragraph, then, upon the closing of title with respect to such sale or transfer, the Owner shall pay to the Administrator, its successors or assigns, a transfer fee as established between the developer and Administrator.



**XV. Enforcement.**

A violation of this Affordability Plan shall not result in a forfeiture of title, but the South Windsor Town Planning and Zoning Commission shall otherwise retain all enforcement powers granted by the Connecticut General Statutes, including § 8-12, which powers include, but are not limited to, the authority, at any reasonable time, to inspect the property and to examine the books and records of the Administrator to determine compliance of Affordable Units with the affordable housing requirements.

**SCHEDULE A**  
**PROPERTY DESCRIPTION**

Metes & Bounds Description  
25 Gerber Road  
South Windsor, CT

Being that certain parcel of land in the Town of South Windsor, County of Hartford, State of Connecticut, as depicted on a plan entitled: "Plot Plan, Prepared for: The Hillstead, 25 Gerber Road, South Windsor, Connecticut, Date: October 5, 2007, Scale 1" = 40', Design Professionals Inc." being more particularly bounded and described as follows:

Beginning at a monument on the southerly right-of-way line of Kelly Road;

Thence in an easterly direction along the southerly right-of-way line of Kelly Road, on a curve to the left having a central angle of  $17^{\circ}54'48''$ , a radius of 772.00 feet, and an arc length of 241.36 feet to a point;

Thence  $N89^{\circ}04'07''E$  along the southerly right-of-way line of Kelly Road, 213.61 feet to a point;

Thence  $N89^{\circ}27'46''E$  along the southerly right-of-way line of Kelly Road, 186.72 feet to a point;

Thence  $S43^{\circ}28'59''E$  along the westerly right-of-way line of Gerber Road East, 44.32 feet to a point;

Thence  $S11^{\circ}18'05''W$  along the westerly right-of-way line of Gerber Road East, 684.96 feet to a point;

Thence  $N81^{\circ}34'14''W$  along the northerly property line of land now or formerly Gerber Scientific Inc., 445.80 feet to a point on the easterly property line of land now or formerly Gerb (CT) QRS 14-73 Inc.;

Thence  $N18^{\circ}31'18''E$  along the easterly property line of Gerb (CT) QRS 14-73, Inc., 219.29 feet to a point;

Thence  $N70^{\circ}52'40''W$  along the northerly property line of Gerb (CT) QRS 14-73, Inc.,

391.88 feet to a point on the easterly right-of-way line of Gerber Road West;

Thence  $N19^{\circ}07'20''E$  along the easterly right-of-way line of Gerber Road West, 364.73 feet to a point on the southerly right-of-way line of Kelly Road;

Thence  $S68^{\circ}31'50''E$  along the southerly right-of-way line of Kelly Road, 89.45 feet to the point and place of beginning.

Said parcel contains 9.579 acres.

## SCHEDULE B DESIGNATION OF AFFORDABLE UNITS

Within the proposed 88-unit Hillstead Community, 66 units, comprising 75% of the development will be Affordable Units. The market rate units (25%) will be dispersed in all four (4) buildings throughout the age-restricted assisted housing residential rental Community in a manner approved by CHFA and DECD. All Affordable Units are collectively referred to herein as "Affordable Units".

**Within The Hillstead, rents will be restricted as follows:**

- Rents will be restricted for forty-four (44) two bedroom units. These Units may not be occupied by families or individuals whose incomes exceed sixty percent (60%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County MSA.
- Rents will be restricted for four (4) one-bedroom units. These Units may not be occupied by families or individuals whose incomes exceed twenty-five percent (25%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County MSA as reported each year by CHFA.
- Rents will be restricted for ten (10) one-bedroom units. These Units may not be occupied by families or individuals whose incomes exceed fifty percent (50%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County MSA as reported each year by CHFA.
- Rents will be restricted for eight (8) one-bedroom units. These Units may not be occupied by families or individuals whose incomes exceed sixty percent (60%) of the HUD-approved Area Median Income (AMI) pertaining to Hartford County MSA as reported each year by CHFA.
- Seven (7) one-bedroom units and fifteen (15) two-bedroom units will be rented at market rates.

All of the foregoing figures would be adjusted to reflect the most recent figures published by HUD for the first year of occupancy of rental units and would increase each year thereafter in accordance with annual figures published by CHFA and HUD. Rents would also reflect adjustment to utility allowances after 2007 issued from time to time by the South Windsor Housing Authority.

### Maximum Allowable Rents - Year (2007)

Rent and income figures change each year as per "Schedule of Maximum Affordable Gross Rent and Income Limits" circulated by The Connecticut Housing Finance Authority. Utility Allowances change each year based upon South Windsor Housing Authority.

No. Units	Unit Type	Unit Rent	Utility Est. Allowance	Max. Income 1 person	Max. 2 pers.
4	1BR, Qual. @ 25% AMI	\$289	\$87	\$13,175	\$15,075
10	1BR, Qual. @ 50% AMI	\$665	\$87	\$26,350	\$30,150
8	1BR, Qual. @ 60% AMI	\$816	\$87	\$31,620	\$36,180

44	2BR, Qual. @ 60% AMI	\$966	\$113	\$31,620	\$36,180
7	1BR, Mkt. @ 150% AMI	\$1150	n/a	\$113,025	\$113,025
15	2BR, Mkt. @150% AMI	\$1355	n/a	\$113,025	\$113,025

When calculating the Maximum Affordable Gross Rent, household size adjustments shall assume occupancy by 1.5 persons per bedroom, and shall use the adjustment formula utilized by HUD and reported by CHFA captioned "Schedule of Maximum Affordable Gross Rent and Income Limits," a copy of which is attached as Exhibit B hereto. If for any reason CHFA shall no longer publish the "Schedule of Maximum Affordable Gross Rent and Income Limits," all of the foregoing rental and income limits shall be derived directly from HUD.



## **SCHEDULE C**

### **MINIMUM SPECIFICATIONS OF AFFORDABLE UNITS**

The Minimum Specification of the Affordable Units shall (i) comply in all respects with the plans approved by the Town of South Windsor Planning and Zoning and Wetlands Commissions, and (ii) be consistent, except for exceptions approved by CHFA Technical Review staff, with the CHFA "Standards of Design and Construction" which standards can be found at the following website:

<http://www.chfa.org/Multifamily/StandardsOfDesign&Construction-2007.pdf>

## SCHEDULE D

### DEFINITIONS AND ELEMENTS OF ANNUAL FAMILY INCOME

1. Annual income shall be calculated with reference to 24 C.F.R. § 5.609 and includes, but is not limited to, the following:

- (a) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services;
- (b) The net income from operations of a business or profession, before any capital expenditures but including any allowance for depreciation expense;
- (c) Interest, dividends, and other net income of any kind from real or personal property;
- (d) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, or other similar types of periodic payments;
- (e) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay;
- (f) Welfare assistance. If the welfare assistance payments include an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance to be included as income consists of the following:
  - (i) The amount of the allowance exclusive of the amounts designated for shelter or utilities, plus
  - (ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities;
- (g) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing with the Applicant (e.g. periodic gifts from family members, churches, or other sponsored group, even if the gifts are designated as rental or other assistance);
- (h) All regular pay, special pay and allowances of a member of the armed forces except as provided in Paragraph (2)(j) below; and
- (i) Any assets not earning a verifiable income shall have an imputed interest using a current average annual savings interest rate.

2. Excluded from the definition of family annual income are the following:

18; (a) Income from employment of children (including foster children) under the age of

(b) Payments received for the care of foster children;

(c) Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains and settlement for personal or property losses;

(d) Amounts received that are specifically for, or in reimbursement of, the cost of medical expense for any family member;

(e) Amounts of student financial aid paid directly to the student or to the educational institution, and amounts paid by the government to a veteran in connection with education costs;

(f) Amounts received under training programs funded by HUD;

(g) Food stamps;

(h) Temporary, nonrecurring or sporadic income (including gifts that are not regular or periodic.

(i) Income of a live-in aide, as defined in 24 C.F.R. § 5.403;

(j) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire; and

(k) Reparation payments paid by a foreign government for claims relating to Nazi persecution.

3. Net family assets (for both rental and sale units) for purposes of imputing annual income shall be computed in accordance with rules established by CHFA for rentals and shall include the following:

(a) Cash held in savings and checking accounts, safety deposit boxes, etc.;

(b) The current market value of a trust for which any household member has an interest;

(c) The current market value, less any outstanding loan balances of any rental property or other capital investment;

(d) The current market value of all stocks, bonds, treasury bills, certificates of deposit and money market funds;

(e) The current value of any individual retirement, 401K or Keogh account;

(f) The cash value of a retirement or pension fund which the family member can withdraw without terminating employment or retiring;

(g) Any lump-sum receipts not otherwise included in income (i.e., inheritances, capital gains, one-time lottery winnings, and settlement on insurance claims);

(h) The current market value of any personal property held for investment (i.e., gems, jewelry, coin collections); and

(i) Assets disposed of within two years before the Application Date, but only to the extent consideration received was less than the fair market value of the asset at the time it was sold.

4. Net family assets do not include the following:

(a) Necessary personal property (clothing, furniture, cars, etc.);

(b) Vehicles equipped for handicapped individuals;

(c) Life insurance policies;

(d) Assets which are part of an active business, not including rental properties; and

(e) Assets that are not accessible to the Applicant and provide no income to the Applicant.



## SCHEDULE E DOCUMENTATION OF INCOME

The following documents shall be provided, where applicable, to the Administrator to determine income eligibility:

1. Employment Income.

Verification forms must request the employer to specify the frequency of pay, the effective date of the last pay increase, and the probability and effective date of any increase during the next 12 months. Acceptable forms of verification (of which at least one must be included in the Applicant file) include:

- (a) An employment verification form completed by the employer.
- (b) Check stubs or earnings statement showing Applicant's gross pay per pay period and frequency of pay.
- (c) W-2 forms if the Applicant has had the same job for at least two years and pay increases can be accurately projected.
- (d) Notarized statements, affidavits or income tax returns signed by the Applicant describing self-employment and amount of income, or income from tips and other gratuities.

2. Social Security, Pensions, Supplementary Security Income, Disability Income.

- (a) Benefit verification form completed by agency providing the benefits.
- (b) Award or benefit notification letters prepared and signed by the authorizing agency. (Since checks or bank deposit slips show only net amounts remaining after deducting SSI or Medicare, they may be used only when award letter cannot be obtained.)
- (c) If a local Social Security Administration (SSA) office refuses to provide written verification, the Administrator should meet with the SSA office supervisor. If the supervisor refuses to complete the verification forms in a timely manner, the Administrator may accept a check or automatic deposit slip as interim verification of Social Security or SSI benefits as long as any Medicare or state health insurance withholdings are included in the annual income.

3. Unemployment Compensation.

- (a) Verification form completed by the unemployment compensation agency.
- (b) Records from unemployment office stating payment dates and amounts.



## **Section 11.7 APPENDIX G**

### **Senior Residence Development (SRD)**

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#### **7.17.1 Purpose**

- A. The purpose of this section is to:
1. Ensure an adequate supply of senior housing in South Windsor.
  2. Promote well-planned, innovative developments that become aesthetically pleasing senior residential environments.
  3. Recognize that not all of the housing needs of our community's elderly population can be met through public elderly housing.
  4. Provide for a greater variety of housing for South Windsor's senior residents.
  5. Foster small senior developments that can be nestled into neighborhoods with minimal impact on surrounding properties. It is intended that these developments be distributed throughout the town.
- B. Upon application of the owner of the land or the owner's duly authorized agent, the Commission may, in appropriate cases and subject to appropriate modifications and safeguards prescribed by it, grant a Special Exception/Site Development Plan approval subject to the requirements of these regulations. Applications for an SRD Special Exception may be approved if the Commission determines that the criteria listed in Article 8 are met as well as the following criteria:
1. The SRD proposal will help meet senior housing needs of South Windsor.
  2. The location of the SRD facility is within reasonable proximity to community facilities or amenities that serve the needs of elderly residents, or is within reasonable proximity to indoor/outdoor activity centers, or is within close proximity to or contains permanent open space land.
  3. The SRD facility has been designed to meet the needs of handicapped residents or visitors.



## Article 11- Appendices

### 7.17.2 Improvements

- A. Utilities, streets, and related improvements shall generally conform to Town procedures and design standards; however, 24-foot pavement width is acceptable, and other standards may be reduced or waived in order to reduce development costs, provided there is no objection of the Town Engineer. All utilities shall be underground. Sidewalks shall only be required where deemed necessary by the Commission. Public sewer and water services shall be required.
- B. Where, in the judgment of the Commission, off-street improvements to the municipality's infrastructure (including, but not limited to, streets, sidewalks, storm drainage facilities, illumination, or other systems) are required in order to minimize the adverse impacts of the development on the infrastructure, or to ensure the development will function adequately, such improvements shall be installed at the expense of the applicant.

### 7.17.3 Form of Ownership/Occupancy

Ownership of an SRD development is limited to common interest community form of ownership, or all dwelling units shall be owned by 1 entity for the purpose of rental apartments. (If a common interest community, the development shall comply with Chapter 828 of the Connecticut General Statutes, i.e., Common Interest Ownership Act, and all other state and local common interest community regulations, as may be appropriate.) All land except that in the approved exclusive use areas shall be owned by the common interest community or owned by 1 entity if a rental apartment complex. At the discretion of the Commission, environmentally sensitive or open space land may be deeded to the Town of South Windsor or to a non-profit organization that will protect it in perpetuity.

### 7.17.4 Bulk Requirements

**Table 7.17.4A Minimum and Maximum Lots and Yards**

Minimum						
Senior Residence District	none	200	50	40	40	60%
<p><sup>(1)</sup> Lots with frontage on Buckland Road or Sullivan Avenue have a minimum lot width of 150 feet. Where the requirements of Table 7.17.4A are greater, the Table 7.17.4A requirements apply.</p> <p><sup>(2)</sup> Lots with frontage on Buckland Road or Sullivan Avenue have a minimum front yard setback of 50 feet. Where the requirements of Table 7.17.4A are greater, the Table 7.17.4A requirements apply.</p> <p><sup>(3)</sup> Landscaping required in setback areas.</p>						

### 7.17.5 Project/Units Cap

The maximum number of units in any development shall be 25 units. The cumulative total number of units in all developments cannot exceed 250 units.



## Article 11- Appendices

### 7.17.6 Density

- A. There is no minimum parcel size. The SRD shall not contain more than 20 residences (or 25 residences if an on-site community room with a minimum 1,000 square feet is provided with a bathroom and kitchenette), and shall not be contiguous to another SRD or similar senior development. (There must be either (1) minimum separation distance of 200 feet from property boundary to property boundary, or (2) separation by a public street).
- B. Maximum density for a development consisting solely of multifamily units shall be 5 units/acre multiplied by the net buildable acreage of the parcel. Maximum density for a development consisting solely of single-family units shall be 3 units/acre multiplied by the net buildable acreage. Maximum density for a development of mixed multifamily and single-family units shall be 4 units/acre multiplied by the net buildable acreage.
- C. All calculations of proposed density must appear on the Site Plan of Development, and are arrived at by multiplying the requested density by the net buildable acreage (see Article 10 Definitions).

### 7.17.7 Architectural Considerations

- A. All dwellings shall share a common exterior architectural theme and compatibility. Architecture shall also be compatible with architecture in the surrounding neighborhood.
- B. No building shall contain more than 6 dwelling units.
- C. Studio or efficiency units are prohibited. Each unit shall have 1 or 2 bedrooms with the following minimum floor area:

**Table 7.16.7A Minimum Living Area**

Unit Type	Minimum Living Area
Multifamily 1 Bedroom	650 sq. ft.
Multifamily 2 Bedroom	775 sq. ft.
Single-Family 1 Bedroom	1000 sq. ft.
Single-Family 2 Bedroom	1100 sq. ft.

- D. Maximum unit size for all units shall be 2,000 square feet. The number of units exceeding 1800 square feet shall not exceed 30%. The minimum number of units 1,400 square feet or less per development shall be 30%.
- E. Full basements are required for storage, except this requirement may be waived for a dwelling unit if a garage is provided for the dwelling unit containing at least 60 square feet of storage in addition to parking for 1 vehicle.

## **Article 11- Appendices**

### **7.17.8 Bus Shelters**

- A.** In the event regular public passenger transportation will be available to residents of the development, a shelter shall be provided by the developer at a location convenient to the residents and readily serviceable by the passenger transportation operator. The design and material composition of a shelter shall be approved by the Commission as part of the Site Plan application.
- B.** A shelter area contained within a building, accessible and convenient to all residents of the development and readily serviceable by the passenger transportation operator, such as a community building, may be substituted for a free-standing structure if approved by the Commission.

**ADDITIONAL Senior Residence Development REFERENCES DELETED FROM THE FOLLOWING SECTIONS:** Section 1.1; Table 3.1.1A; Table 4.1.1A; Section 6.1.1; Table 6.4.3A; Table 6.5.7A

but only if the building is a qualified low-income building as of the close of the first year of such period.

- c. "Development" means all real and personal property and all assets of whatever nature or wherever situate, used in or owned by the business conducted on the Property, which business is to provide rental accommodations for persons of low and moderate income and other activities incidental thereto, which shall also include the following:

- (1) Components of Development - The Development will consist of a building or structure or several proximate and interrelated buildings or structures and facilities functionally related and subordinated thereto, financed under a common plan, all located on a single tract of land (except as provided for in Sections 42(g)(7) and 42(h)(6)(k) of the Code), which buildings shall be owned by the same person for tax purposes:

- (i) each containing one or more similarly constructed units, having separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and
- (ii) all of the units of which will be rented or available for rental on a nontransient basis to members of the general public.

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

- (2) Change in Development - The Owner will make no change in the nature, size (including number of units) or location of the Development from that which was described in the Board presentation and Resolution adopted November 20, 2008, without the prior written consent of the Authority.

- d. "Extended Use Period" means the period:

- (1) beginning on the first day in the compliance period on which such building is part of a qualified low-income housing project; and
- (2) ending on the later of -
  - (i) the date specified by the Authority in Section 2d of this ELIHC, or
  - (ii) the date which is fifteen (15) years after the close of the Compliance Period.

- e. "HUD" means the United States Department of Housing and Urban Development or its successor;



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

CT-08-01001 - CT-08-01004

## EXTENDED LOW-INCOME HOUSING COMMITMENT

This Extended Low-Income Housing Commitment (the "ELIHC") is made this 17<sup>th</sup> day of December, 2008, by and between Kelly Road Associates Limited Partnership, a Connecticut limited partnership with an office and principal place of business at 6 Executive Drive Suite 100, Farmington, CT 06032 (the "Owner") and the **Connecticut Housing Finance Authority**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, with an office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Authority").

### WITNESSETH:

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

WHEREAS, the Owner is the owner of property known as Hillcrest Apartments, located at 25 Gerber Road East, South Windsor, CT 06074 (the "Property");

WHEREAS, the Authority issued an allocation of 2008 low-income housing tax credits in the amount of \$854,474 to the Owner; and

WHEREAS, Section 42(h)(6)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), mandates that no low-income housing tax credit shall be allowed with respect to any building for the taxable year unless an extended low-income housing commitment is in effect.

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

### 1. DEFINITIONS

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

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

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- e. During the Extended Use Period:
- (1) not less than sixty-six (66) units (75%) in the Development shall be occupied or be available for occupancy by Qualified Persons (Note: at the discretion of the Secretary of the Treasury the maximum income levels may deviate from the area median income data to reflect current HUD policy or future Treasury policy on income limits with respect to areas with unusually low family income or high housing costs relative to family income consistent with HUD determinations under Section 8 of the United States Housing Act of 1937); and
  - (2) the rents for each Qualified Unit shall not exceed the Qualified Rent, which will be uniform for each particular housing unit size (i.e., efficiencies, one-bedroom units, two-bedroom units), regardless of the number of persons residing in the household and in accordance with Section 42(g) of the Code.
  - (3) no tenant who was occupying a Qualified Unit at any time during or at the end of the Extended Use Period may be removed whether by eviction, expiration of lease or for any reason (other than for good cause); and
  - (4) no rent may be increased for any Qualified Unit beyond the Qualified Rent:
    - (i) at any time during the Extended Use Period; or
    - (ii) as long as it is occupied by the tenant who was occupying the unit at the early termination of the Extended Use Period.
- f. For the 3-year period following an Early Termination of the Extended Use Period:
- (1) no tenant who was occupying a Qualified Unit at the end of the Extended Use Period may be removed (whether by eviction, expiration of lease or any reason other than good cause); and
  - (2) no rent may be increased for any Qualified Unit beyond the Qualified Rent as long as it is occupied by the tenant who was occupying the unit at the early termination of the Extended Use Period.
- g. The Owner hereby agrees that this ELIHC prohibits (i) the disposition to any person of any portion of the building to which this ELIHC applies unless all of the building to which such ELIHC applies is disposed of to such person; and (ii) the refusal to lease to a holder of a voucher or certificate of eligibility under Section 8 of the U.S. Housing Act of 1937 because of the status of the prospective tenant as such a holder.
- h. The restrictive covenants of this section shall be binding on all successors and assigns of the Owner and this Commitment shall be recorded pursuant to Connecticut Law as a restrictive covenant.

- f. "Qualified Persons" means individuals and families who, at the time each such individual or family first occupies a unit in the Development, are of low income, having annual income not exceeding 60 percent of area median gross income, adjusted for family size, within the meaning of the Code and the Treasury Regulations promulgated thereunder; except that in case of individuals and families occupying at least four (4) units, individuals and families having an annual income not exceeding twenty-five percent of area median gross income at such time; and except that, in the case of individuals and families occupying at least ten (10) additional units, individuals and families having an annual income not exceeding fifty percent of area median gross income at such time.
- g. "Qualified Rent" means gross rent, as defined in Section 42(g)(2)(B) of the Code, not greater than 30 percent of the imputed income limitation applicable to a particular Unit, within the meaning of Section 42(g)(2)(C) of the Code, as adjusted annually;
- h. "Qualified Unit" means those units occupied by Qualified Persons at a Qualified Rent;
- i. "Unit" means the individual dwelling referenced in subsection (1) of subsection (c) of this first section.

## 2. THE COMMITMENT

- a. Failure to comply with the provisions of this ELIHC is an event of default and the Authority or its successors may exercise any of the remedies available hereunder. Furthermore, the Authority may seek specific performance of this ELIHC by the Owner or any successor in interest thereto, without declaring an event of default and without waiving any remedies hereunder, by filing an action in any court of competent jurisdiction in the State of Connecticut.
- b. The applicable fraction (as defined in subsection (c)(1) of Section 42 of the Code) for each taxable year in the Extended Use Period shall not be less than 66/88 (Qualified Units/total Units). Notwithstanding anything herein to the contrary, the Owner shall have the right to rent more than seventy-five percent of the Units in the Development to Qualified Persons.
- c. Individuals who meet the income limitation applicable under subsection (g)(1) of Section 42 of the Code (whether prospective, present, or former occupants who qualify, qualified, or would qualify) hereby have the right to enforce in any state court the requirements of subsections a. and b. of this second section of this ELIHC and may apply to any state court for specific performance of the provisions of this ELIHC notwithstanding any action which may or may not be taken by the Authority.
- d. The Extended Use Period shall be for an additional eighty-four (84) years after the close of the Compliance Period, unless terminated earlier ("Early Termination") on the date of foreclosure or deed-in-lieu of foreclosure;



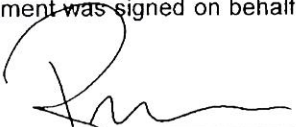
## CONNECTICUT HOUSING FINANCE AUTHORITY

STATE OF CONNECTICUT )  
 )  
 COUNTY OF HARTFORD )

ss: Rocky Hill

December 17, 2008

Personally appeared, Geoffrey W. Sager, Member of Kelly Road GP, LLC, General Partner of Kelly Road Associates Limited Partnership, as aforesaid Signer and Sealer of the foregoing Instrument, and acknowledged the same to be his free act and deed as Member of Kelly Road GP, LLC, General Partner, and the free act and deed of Kelly Road Associates Limited Partnership and that said instrument was signed on behalf of and with the authority of said Owner, before me.

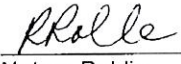
  
 Commissioner of the Superior Court  
 Notary Public — *Randy P. Gagnier*

STATE OF CONNECTICUT )  
 )  
 COUNTY OF HARTFORD )

ss: Rocky Hill

December 17, 2008

Personally appeared, Timothy H. Coppage, Vice President-Housing Development of the CONNECTICUT HOUSING FINANCE AUTHORITY, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.

  
 Notary Public

EMILY L. BOLLE  
 Notary Public  
 MY COM. EXPIRES 07/31/2012

RECEIVED FOR RECORD 12-18-08  
 AT 2:40 PM  
 RECORDED IN SOUTH WINDSOR, CT  
*How A. De Haven*  
 TOWN CLERK

- i. The Owner hereby agrees to record this ELIHC promptly on the land records of the town or city where the Property is located prior to the recording of any other lien or restrictions. If any financing liens on the Property have already been recorded on the land records at the time this ELIHC is recorded, the Owner agrees to use its best efforts to obtain an agreement from the holders of such liens, naming the Authority as a party, to subordinate such liens to the lien created by this ELIHC, and to provide the Authority with a copy of such subordination agreement.

3. MISCELLANEOUS

- a. This ELIHC shall be governed by and construed in accordance with the laws of the State of Connecticut and federal law, where applicable.
- b. The invalidity of any provisions of this ELIHC shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of the provisions of this ELIHC, which shall continue in full force and effect as if such invalid provision had never been included herein.
- c. False statements made herein are punishable under the penalty for false statement set out in C.G.S. Section 53a-157b.


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

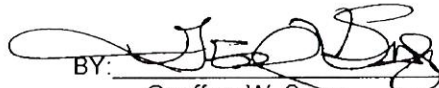
OWNER

Kelly Road Associates Limited Partnership

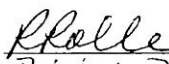
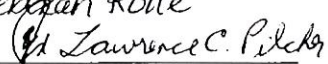
BY: Kelly Road GP, LLC


Its General Partner

  
\_\_\_\_\_  
Peter Sorokin

BY:   
\_\_\_\_\_  
Geoffrey W. Sager  
Member

CONNECTICUT HOUSING FINANCE AUTHORITY

  
\_\_\_\_\_  
Rebecca Rolle  
  
\_\_\_\_\_  
LAWRENCE C. PILCHER

MPH By:   
\_\_\_\_\_  
Timothy H. Coppage  
Vice President - Housing Development



## DECLARATION AND AGREEMENT OF RESTRICTIVE COVENANTS

This Declaration and Agreement of Restrictive Covenants (this "Agreement") made and entered into as of the 17<sup>th</sup> day of December, 2008, by and between **KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP**, a limited partnership organized and existing under the laws of the State of Connecticut with an office and principal place of business at c/o Kelly Road GP, LLC, 6 Executive Drive, Farmington, Connecticut 06032 (the "Declarant"), and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Authority"),

### WITNESSETH:

WHEREAS, the Declarant, as owner in fee simple of the property described in **Exhibit A** attached hereto and made a part hereof (the "Property"), has applied to the Authority for a first mortgage loan in the amount of up to FIVE MILLION NINE HUNDRED NINETY THOUSAND AND 00/100 (\$5,990,000.00) DOLLARS (the "Mortgage Loan") to aid the Declarant in financing the acquisition and construction/renovation on the Property of a multifamily rental housing development for persons of low and moderate income, pursuant to the provisions (i) of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, as amended (the "Act") and (ii) of the Internal Revenue Code of 1986, as amended, (the "Code") and the regulations promulgated thereunder, as amended (the "Regulations");

WHEREAS, the Property is known as Hillcrest, 25 Gerber Road East, South Windsor, Connecticut and is identified as Authority Development No. 08-004M;

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

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

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

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

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

#### 1. PROPERTY

This Agreement affects the Property which is described in **Exhibit A** attached hereto.

#### 2. DEFINITIONS

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

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- a. "Apartment Mix" means the apartment mix for the Qualified Units, as follows:

AMI	One-Bedroom	Two-Bedroom	Total
Max. 25% AMI	4	0	4
>25% to 50% AMI	10	0	10
>50% to 60% AMI	10	42	52
Totals	24	42	66

- b. "Approved Plans" means the plans, drawings and specifications described to the Authority's Board of Directors in the Resolution adopted October 30, 2008, as amended and accepted by the Authority;
- c. "Compliance Period" means with respect to any building, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the credit period as defined in Section 42 (i) (1) of the Code with respect thereto;
- d. "Development" means all real and personal property and all assets of whatever nature or wherever situate, used in or owned by the business conducted on the Property, which business is to provide rental housing accommodations for persons of low and moderate income and other facilities incidental thereto. Declarant shall make no change in the nature, size (including number of units) or location of the Development from that which was shown on the Approved Plans;
- e. "Extended Use Period" with respect to a building means the period (i) beginning on the first (1st) day in the Compliance Period in which such building is part of a qualified low-income housing project, and (ii) ending on the later of (I) the date specified by the Authority in the Extended Low-Income Housing Commitment by and between the Declarant and the Authority with respect to the Development or (II) the date which is fifteen (15) years after the close of the Compliance Period;
- f. "Fiscal Year" means the calendar year or any other period agreed to in writing by the parties hereto as the fiscal year for the Declarant;
- g. "HUD" means the United States Department of Housing and Urban Development or any federal successor thereto;
- h. "Income Limitation" means 25 percent, 50 percent or 60 percent of area median gross income, as the case may be, adjusted for family size, within the meaning of the Code and the Regulations. For this purpose, income is determined as defined under HUD regulations;
- i. "Mortgage Loan" means the \$5,990,000.00 interest bearing obligation evidenced by a promissory note of even date herewith from the Declarant to the Authority (the "Authority Note") and secured by a mortgage deed (the "Authority Mortgage") which Authority Mortgage shall constitute a first lien on the Development;
- j. "Mortgage Loan Documents" means, collectively, the Authority Note, the Authority Mortgage, Security Agreement, the Covenant of Compliance and Regulatory Agreement, the Collateral Assignment of Leases and Rentals, Building Loan Agreement and this Agreement, all of even date herewith, along with the Authority's Mortgage Loan Commitment Letter dated October 30, 2008, as amended, and all other documents executed by the Declarant in connection with the Mortgage Loan;
- k. "Qualified Person(s)" means individuals and families who, at the time each such individual or family first occupies a unit in the Development have annual income that meets the Income Limitation;
- l. "Qualified Rent" means an annual gross rental not greater than 30 percent of the annual imputed Income Limitation applicable for such unit for each Qualified Person, in accordance with the Statute, the Code and the Regulations; pursuant to Section 42 of the Code, the maximum rental limits applicable to Qualified Units shall be revised by a percentage equal to any percentage change in Area Median Income. Qualified Rent does not include any payment under Section 8 or any comparable rental assistance



program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include any utility allowance applicable pursuant to the Code, after taking into account such determinations under such Section 8;

- m. "Qualified Unit" means a residential unit at the Development occupied, or available for occupancy, by a Qualified Person(s) at the Qualified Rent;
- n. "Section 42 Income Limitation" means 60 percent of area median gross income, adjusted for family size, within the meaning of the Code and Regulations. For this purpose, income is determined as defined at 24 CFR 813.106 (1987).
- o. "State" means the State of Connecticut.

### 3. RESTRICTION ON USE OF THE DEVELOPMENT

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

- a. The Development - The Development shall consist of the facilities described in the Approved Plans and shall be located on the Property;
- b. Components of Development - The Development shall consist of a building or buildings or structure and facilities functionally related and subordinated thereto, owned by the same person(s) for tax purposes, all located on a single tract of land and financed under a common plan of finance, and
  - 1. each containing one or more similar units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and
  - 2. all of the residential units of which shall be rented or available on a non-transient basis for rental to members of the general public, shall be suitable for residential occupancy, and shall comply with all State and local health, safety and building codes.
- c. The Declarant shall proceed with due diligence to promptly complete construction/renovation of the Development in accordance with the Approved Plans.
- d. Change in Development - The Declarant shall make no change in the nature, size (including number of residential units) or location of the Development from that which was shown on the Approved Plans, as modified to date, without the prior written consent of the Authority.
- e. Continuous Rental Restriction - The Declarant on a continuous basis shall maintain all of the units in the Development either as rented or available for rental to members of the general public during the Qualified Project Period, the Compliance Period and the Extended Use Period.
- f. Qualified Low-Income Housing Project Restriction
  - 1. Declarant hereby covenants and agrees to comply with the requirements for qualified residential rental projects and the requirements for obtaining low-income housing tax credits under Section 42 of the Code with respect to the Development during the Compliance Period and its obligations under the Extended Low-Income Housing Commitment entered into between Declarant and the Authority pursuant to Section 42(h)(6) of the Code and incorporated herein by reference.

During the Compliance Period and the Extended Use Period, each residential unit in the Development shall be rented or available for rental on a continuous basis to 62 years of age or older and/or Elderly Families, as defined in accordance with 24 CFR 5.403 on other than a transient basis, and sixty-six (66) of said Qualified Units (the "Qualified Units") shall be both rent-restricted and occupied by



individuals whose annual income is 60 PERCENT or less of the area median gross income adjusted for family size, in accordance with the following:

- (a) The Qualified Units will be leased, or vacant and available for lease:
    - (i) only to Qualified Persons, in accordance with the Apartment Mix;
    - (ii) at a rental not greater than 30 PERCENT of the Income Limitation for such unit in accordance with Section 42(g)(2) of the Code;
  - (b) The maximum rents that can be charged for such units shall be uniform for each particular housing unit size (e.g., one bedroom units, two bedroom units) regardless of the number of persons residing in such unit;
  - (c) At the discretion of the U.S. Secretary of the Treasury, the maximum income levels may deviate from the area median income to reflect current or future policy on income limits with respect to areas with unusually low family income or high housing cost relative to family income consistent with HUD's determination under Section 8;
  - (d) The Development shall have at least sixty-six (66) Qualified Units;
  - (e) The Qualified Units shall remain Qualified Units during the Extended Use Period;
2. Income and area median gross income shall be determined in a manner consistent with determinations of lower income families under Section 8, adjusted for family size, as determined by HUD; and
3. The Development shall meet the above requirements no later than the close of the first year of the credit period as defined in Section 42(f) (1) of the Code, except as otherwise provided and permitted under subsection (g)(3) of Section 42 of the Code.
4. After initial occupancy by Qualified Persons but upon again becoming vacant, a unit shall be treated as occupied by Qualified Persons until occupied, other than for a temporary period by another occupant, at which time the character of the unit shall be redetermined by the new occupant's income. In no event shall a temporary period exceed thirty (30) days. A unit occupied by an individual or family who, at the commencement of occupancy, was a Qualified Person shall be treated as occupied by a Qualified Person during such individual's or family's tenancy in such unit until such individual's or family's income exceeds 140 percent of the Section 42 Income Limitation at the time of the most recent Determination (as defined below). Once an individual's or family income exceeds 140 percent of the Section 42 Income Limitation, the unit occupied by such individual or family (an "Overincome Tenant") shall continue to be treated as occupied by a Qualified Person unless, after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income exceeds the Income Limitation originally applicable to the Over Income Tenant. If, after such Determination but before the next Determination, a residential unit of comparable or smaller size in the Development is occupied by a new resident who meets the Income Limitation originally applicable to the Over Income Tenant, in accordance with the Apartment Mix, the rent applicable to the Over Income Tenant's unit may be raised to a rent based on 30 percent of the Section 42 Income Limitation at such time. Notwithstanding the provisions of this paragraph 3.f.2., the Development shall also comply at all times with the requirements of Section 42(g)(2)(D) of the Code.
5. Qualified Rent does not include any payment under Section 8 or any comparable rental assistance program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include

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any utility allowance determined by the Secretary of the Treasury after taking into account such determinations under such Section 8.

6. As required by the Authority, the Declarant shall make a determination (the "Determination") on the basis of current income of whether the income of an individual or family residing in a unit of the Development exceeds the applicable Income Limitation. Annually the Declarant shall certify compliance with the applicable Income Limitation to the Authority and the U.S. Secretary of the Treasury, if required (at such times and in such manner as the Authority and Secretary shall each prescribe).
  7. Declarant shall furnish to the Authority, on at least an annual basis, or on some other basis as determined by the Authority to be required by the Code and the Regulations, such information as the Authority shall require, including (i) any compliance forms now or hereafter required to be filed with the U.S. Secretary of the Treasury or the Authority, and (ii) a form entitled "Owner's Certificate of Continuing Program Compliance" attached hereto as **Exhibit B**, and to maintain on file Tenant Income Certification (TC-100), in the form attached hereto as **Exhibit C**, tenant lists, lease applications, copies of any compliance forms filed with the Secretary of the Treasury or Internal Revenue Service, and a waiting list, in order to permit verification that the covenants set forth herein are being satisfied by the Declarant. Declarant shall take such action as the Authority shall from time to time deem necessary to comply with the covenants herein or to correct or cure any failure of the Declarant to comply with the covenants herein. Declarant shall use tenant lease forms acceptable to the Authority, or, if there are no written leases, written and signed certifications of tenants so as to be able to determine tenant qualifications or take such other corrective action as is necessary to comply with the covenants herein or to correct or cure any failure of the Declarant to comply with the covenants herein. Such leases or certifications shall provide that (i) each tenant certify as to the accuracy of statements made in the Tenant Income Certification, (ii) agree that individual or family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, (iii) comply with all requests for information with respect thereto from the Declarant or the Authority, and (iv) failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be a violation of a substantial obligation of his/her tenancy.
- g. The Development shall be residential rental housing within the meaning of the Act, the Code and Regulations, and shall be used for the benefit of those members of the general public of low and moderate income upon certain terms and conditions set out below.
1. During the Compliance Period and the Extended Use Period, the Declarant shall set aside the Qualified Units in the Development for individuals or families who are Qualified Persons at the Qualified Rent, as determined by the Authority. Thereafter, for a period of not less than sixty-nine (69) years beyond the term of the Mortgage Loan, Declarant shall lease, at the Qualified Rent, or sell or lease said units in the Development in such a manner that said units shall be leased or sold, or held vacant and available for lease or sale, only to individuals or families who are Qualified Persons, as determined by the Authority, or its successor. Such continuing restriction for said period shall operate as follows:
    - (i) If all or any part of the Development is sold, transferred or otherwise conveyed to any other individual, party or entity other than the Declarant, such conveyance shall be made by deed subject to an affirmative covenant running with the land, which covenant shall bind the grantee of such deed, and all successors, assigns, and heirs thereof, to the restrictions contained in this Agreement. In the event that such affirmative covenant is omitted from any such deed of conveyance, then such affirmative covenant shall be deemed to have been included and shall run with the land described on Exhibit A as if it had been contained in such deed. The covenant and restrictions shall be binding to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by the Authority, or any of its



successors, or their successors and assigns as their interest may appear; and

- (ii) If the Development shall at any time during the Extended Use Period be converted to a common interest community by the Declarant or any grantee as aforesaid, such conversion shall include in the declaration of common interest community an affirmative covenant running with the land and such common interest community shall be subject to the terms and conditions of this Agreement, which shall bind the common interest community association, the common interest community unit owner and their respective successors and assigns, to the restrictions contained in this Agreement. Said covenant shall also require that all units in the common interest community shall be sold, or held vacant for sale, only to individuals or families who are Qualified Persons, as determined by the Authority or its successor(s) at the time of such sale. The covenant shall be binding upon the common interest community association, its successors and its assigns to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by the Authority, or any of its successors and assigns as their interests may appear; said declaration of common interest community shall require that all units that are to be sold or available for sale to individuals or families who are Qualified Persons shall also be subject to the further restriction that no reconveyance of any such unit(s) shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Authority or its successors or assigns that the prospective purchaser(s) is(are) an individual who is a Qualified Person. The Authority or its successors or assigns shall designate a party to issue such a certification and shall notify the common interest community, from time to time, of the identity of such party.

A unit may not be conveyed pursuant to a time-sharing plan as defined in Chapter 734b of the Connecticut General Statutes.

2. In the event of substantial destruction or condemnation of the Development, as determined by the Authority in its sole discretion, which destruction is not rebuilt or corrected for any reason, then the Declarant shall have the right to request, and the Authority may, so long as it has not delivered any applicable insurance proceeds to the Declarant, release and waive the Declarant and the Property from the terms, restrictions and conditions contained herein. Upon such destruction or condemnation, the Authority, or its successors, or its assigns, may execute appropriate documents for the Declarant, its successors or assigns to record on the land records for the city or town where the Development is located rescinding the restrictions contained herein, if the Authority, in its sole discretion, elects to so release and waive the Declarant and Property from the terms, restrictions and conditions contained herein. If the Authority delivers said insurance proceeds to the Declarant, and the Declarant is required to repair or reconstruct the Development pursuant to the terms of the Authority Mortgage, then this Agreement and the restrictions and covenants contained herein shall remain in full force and effect.
3. As required by the Authority, in every Fiscal Year during the longest of the Compliance Period and the Extended Use Period or until the Authority Mortgage has been released, Declarant shall deliver to the Authority, in a form accepted by the Authority, a certificate setting forth the percentage of units at the Development occupied by individuals or families who are Qualified Persons. The Authority shall have the right to observe the Declarant's records regarding tenants and tenant selection policy for the Development at any time, and to request and receive any information, documentation, or other confirmation that Declarant's tenant selection policy complies with the requirements of the Authority.
4. To the extent necessary to comply with the Act, the Authority's Procedures, including, but not limited to, the Qualified Allocation Plan and Application Process Procedures, the Code and the Regulations, the Authority shall have the right to take any and all actions which it deems appropriate, to rent any unleased or vacant



dwelling unit in the Development (if the Development is used for rental units), including without limitation thereof the right to the appointment of a receiver to enter upon and take possession of the Property, to enter into tenant leases, to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct or to seek any remedy available or necessary for the enforcement of the covenants and restrictions herein. The receiver shall have the rights and powers permitted under the laws of the State and such other powers as the court making such appointment shall confer.

#### 4. APPLICABLE PERIOD

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

#### 5. CONTROLLING EFFECT

Declarant warrants to the Authority that it shall not execute other declarations or agreements with provisions contradictory, or in opposition to, the provisions hereof and that in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and shall supersede any other requirements in conflict therewith.

#### 6. BINDING EFFECT

This Agreement shall be binding upon the parties hereto and their respective successors and assigns, as their interests may appear, except that a foreclosing mortgagee, other foreclosing lien holder, or other owner of the equity, a trustee in bankruptcy or heir of any owner shall be exempt from the Declarant's covenants contained in this Agreement, until such time as the foreclosed upon property, or property held by a trustee in bankruptcy, or property taken by devise, is sold, leased or otherwise conveyed, at which time such sale, lease, or conveyance shall be subject to the covenants and restrictions herein.

#### 7. SURVIVAL

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

#### 8. SUBSEQUENT ACTIONS

Declarant shall file or record such documents and take such other steps as are necessary in order to ensure that the requirements and restrictions of this Agreement shall be binding upon all owners and/or lessees of the Development.

#### 9. TRANSFERS

Declarant shall include the requirements and restrictions contained in this Agreement in any instrument(s) assigning or transferring any interest in the Development to another person so

that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to be bound by and comply with the requirements set forth in this Agreement. Declarant shall also provide a copy of such instrument(s) to the Authority promptly.

#### 10. REMEDIES

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

#### 11. CODE REQUIREMENTS

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

#### 12. RECORDING

The Declarant shall cause this Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the conveyance and real property records of the town in which the Property is located and in such other places as the Authority may reasonably request. The Declarant shall pay all fees and charges incurred in connection with any such recording.

#### 13. COMPLIANCE MONITORING

Declarant hereby covenants and agrees to execute, file, and provide any and all information, documentation, or verification required by the federal government or the Authority regarding the covenants and agreements contained herein. Declarant shall pay the Authority's fees as from time to time determined by the Authority for its compliance monitoring duties.

#### 14. INVALIDITY

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

#### 15. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut, except to the extent superseded by Federal law.

#### 16. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same Agreement.



## 17. NOTICES

Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the respective parties' addresses on page 1 hereof, in writing, and shall be deemed to have been duly given (a) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (b) when delivered, if delivered personally, (c) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (d) when sent, if sent by overnight mail or overnight courier, in each case with a copy (which shall not constitute notice) to the Authority's General Counsel at the above address.

Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

## 18. FALSE STATEMENTS

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

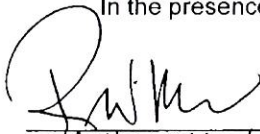
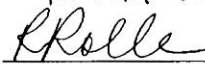
## 19. MISCELLANEOUS


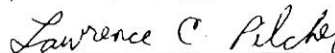
Declarant hereby agrees that Declarant (a) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s)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

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

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

Signed, Sealed and Delivered  
In the presence of:

  
\_\_\_\_\_  
Ramona K. Kato  
  
\_\_\_\_\_  
Rebekah Rolfe

  
\_\_\_\_\_  
Rebekah Rolfe  
  
\_\_\_\_\_  
LAWRENCE C. PILCHER

KELLY ROAD ASSOCIATES  
LIMITED PARTNERSHIP  
BY: Kelly Road GP, LLC  
General Partner

  
\_\_\_\_\_  
Geoffrey W. Sager  
Manager

CONNECTICUT HOUSING FINANCE  
AUTHORITY

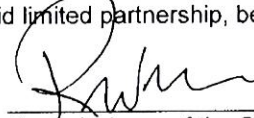
BY:   
\_\_\_\_\_  
John K. Craford  
Executive Vice President



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STATE OF CONNECTICUT     )  
   )  
 COUNTY OF HARTFORD     )     ss. ROCKY HILL                     December 17, 2008

Personally appeared, Geoffrey W. Sager, Manager of Kelly Road GP, LLC, General Partner of KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP, a Connecticut limited partnership, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as Manager of Kelly Road GP, LLC, General Partner of KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP, and that said instrument was signed on behalf of and with the authority of said limited partnership, before me.



Commissioner of the Superior Court  
 Notary Public

STATE OF CONNECTICUT     )  
   )  
 COUNTY OF HARTFORD     )     ss. ROCKY HILL                     December 16, 2008

Personally appeared, John K. Craford, Executive Vice President of the CONNECTICUT HOUSING FINANCE AUTHORITY, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.



Commissioner of the Superior Court  
 Notary Public

RENEE L. BOLLE  
 Notary Public  
 MY COMMISSION EXPIRES JULY 31, 2012

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Exhibit A  
Property Description

Being that certain parcel of land in the Town of South Windsor, County of Hartford, State of Connecticut, shown as "N/F Kelly Road Associates Limited Partnership Lot #1" on a plan entitled: "ALTA/ACSM SURVEY, Prepared for: Kelly Road Associates Limited Partnership, 25 Gerber Road East, South Windsor, Connecticut, Date: 10-23-2008, Revisions 11/06/08, 11/25/08, 12/1/08, Scale 1" = 50', Design Professionals Inc." being more particularly bounded and described as follows:

Beginning at a monument on the southerly right-of-way line of Kelly Road;

Thence in an easterly direction along the southerly right-of-way line of Kelly Road, on a curve to the left having a central angle of  $17^{\circ}54'48''$ , a radius of 772.00 feet, and an arc length of 241.36 feet to a point;

Thence  $N89^{\circ}04'07''E$  along the southerly right-of-way line of Kelly Road, 213.61 feet to a point;

Thence  $S89^{\circ}27'46''E$  along the southerly right-of-way line of Kelly Road, 186.72 feet to a point;

Thence  $S43^{\circ}28'59''E$  along the westerly right-of-way line of Gerber Road East, 44.32 feet to a point;

Thence  $S11^{\circ}18'50''W$  along the westerly right-of-way line of Gerber Road East, 662.41 feet to a point;

Thence  $N81^{\circ}34'14''W$  along the northerly property line of land now or formerly Gerber Scientific Inc., 445.80 feet to a point on the easterly property line of land now or formerly Gerb (CT) QRS 14-73 Inc.;

Thence  $N18^{\circ}31'18''E$  along the easterly property line of Gerb (CT) QRS 14-73, Inc., 219.29 feet to a point;

Thence  $N70^{\circ}52'40''W$  along the northerly property line of Gerb (CT) QRS 14-73, Inc., 391.88 feet to a point on the easterly right-of-way line of Gerber Road West;

Thence  $N19^{\circ}07'20''E$  along the easterly right-of-way line of Gerber Road West, 364.73 feet to a point on the southerly right-of-way line of Kelly Road;

Thence  $S68^{\circ}31'50''E$  along the southerly right-of-way line of Kelly Road, 89.45 feet to the point and place of beginning.

TOGETHER WITH:

1. A Sanitary Sewer Easement from GERB (CT) QRS 14-73, Inc. to Gerber Scientific, Inc. which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 50 of the South Windsor Land Records.
2. A Grading, Sloping and Planting Easement from GERB (CT) QRS 14-73, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 63 of the South Windsor Land Records.
3. A Sanitary Sewer Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 82 of the South Windsor Land Records.
4. A Grading, Sloping and Planting Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 78 of the South Windsor Land Records.
5. A Drainage Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 74 of the South Windsor Land Records.

**Exhibit B**

Received Date (For Office Use Only):

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

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

☐ No buildings have been Placed in Service  
☐ At least one building has been placed in Service but owner elects to begin credit period in the following year.  
If either of the above applies, please check the appropriate box, and proceed to page 2 to sign and date this form.

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

The undersigned \_\_\_\_\_ on behalf of \_\_\_\_\_ (the "Owner"), hereby certifies to the

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

- I. The project met the minimum requirements of: (check one)  
☐ 20 - 50 test under Section 42(g)(1)(A) of the Code  
☐ 40 - 60 test under Section 42(g)(1)(B) of the Code

And, if applicable to the project: (check)

- ☐ 15 - 40 test for "deep rent-skewed" projects under Section 42(g)(4) and 142(d)(4)(B) of the Code;

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

☐ NO CHANGE ☐ CHANGE

If "Change" list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 3.

- III. The owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described in paragraph (b)(1)(vii) of Section 1.42-5;

☐ YES ☐ NO

- IV. Each low-income unit in the project has been rent-restricted under Section 42(g)(2);

☐ YES ☐ NO

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

☐ YES ☐ NO

- VI. The buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Authority under paragraph (c)(1) of Section 1.42-5. In addition, the owner must state whether the violation has been corrected:

☐ YES ☐ NO

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

☐ NO CHANGE ☐ CHANGE

If "Change", state nature of the change on page 3.

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

☐ YES ☐ NO

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

☐ YES

☐ NO



- X. If the income of tenants of a low-income unit in the building increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to tenants having a qualifying income;  
☐ YES ☐ NO
- XI. An extended low-income housing commitment as described in Section 42(h)(6) was in effect (for buildings subject to Section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308-2311), including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to Section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 312, 438-439);  
☐ YES ☐ NO ☐ N/A
- XII. All low-income units in the project were used on a nontransient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv));  
☐ YES ☐ NO ☐ HOMELESS
- XIII. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42 (h)(5) of the code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code;  
☐ YES ☐ NO ☐ N/A
- XIV. There has been no change in the ownership or management of the project;  
☐ NO CHANGE ☐ CHANGE  
 If "Change", complete page 3 detailing the changes in ownership or management of the project.
- XV. The Owner complies with Internal Revenue Service ("IRS") Revenue Ruling 2004-82, which at Question and Answer 5, states that Internal Revenue Code ("IRC") Section 42(h)(6)(B)(i) requires that "an extended low-income housing commitment include a prohibition during the extended use period against (1) the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit (no-cause eviction protection) and (2) any increase in the gross rent with respect to the unit not otherwise permitted under § 42; and  
☐ YES ☐ NO
- XVI. The person responsible for the tax credit management of the property has attended LIHTC training within the past two years. Provide copy of certificate of continuing education.  
☐ YES ☐ NO

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

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

\_\_\_\_\_  
 (Ownership Entity)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signed sealed and delivered in the presence of:

Notary: \_\_\_\_\_

Witness: \_\_\_\_\_ My commission expires: \_\_\_\_\_

Date of Execution: \_\_\_\_\_ (NOTARY PUBLIC SEAL)

PLEASE EXPLAIN ANY ITEMS THAT WERE  
ANSWERED "NO" OR "CHANGE" ON  
QUESTIONS 1-14.

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

[illegible]

## TRANSFER OF OWNERSHIP

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

## CHANGES IN OWNER CONTACT

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

## CHANGES IN MANAGEMENT CONTACT

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

**EXHIBIT C****TENANT INCOME CERTIFICATION  
TC-100**☐ Initial Certification ☐ Recertification ☐ Other

Effective Date: \_\_\_\_\_

Move-in Date: \_\_\_\_\_  
(MM/DD/YYYY)**PART I - DEVELOPMENT DATA**Property Name: \_\_\_\_\_ County: \_\_\_\_\_ BIN #: \_\_\_\_\_  
Address: \_\_\_\_\_ Unit Number: \_\_\_\_\_ # Bedrooms: \_\_\_\_\_**PART II. HOUSEHOLD COMPOSITION**

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

**PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)**

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D), above				TOTAL INCOME (E): \$

**PART IV. INCOME FROM ASSETS**

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

**HOUSEHOLD CERTIFICATION & SIGNATURES**

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

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

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

Signature \_\_\_\_\_

(Date) \_\_\_\_\_



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PART V. DETERMINATION OF INCOME ELIGIBILITY			
<b>TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES:</b> From item (L) on page 1 <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	<b>Household Meets Income Restriction at:</b> <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	<b>RECERTIFICATION ONLY:</b> Current Income Limit x 140%: <span style="border: 1px solid black; padding: 2px 20px;">\$</span> Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Current Income Limit per Family Size: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>			
Household Income at Move-in: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	Household Size at Move-in: <span style="border: 1px solid black; padding: 2px 20px;">_____</span>		

PART VI. RENT	
Tenant Paid Rent <span style="border: 1px solid black; padding: 2px 20px;">\$</span> Utility Allowance <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	Rent Assistance: <span style="border: 1px solid black; padding: 2px 20px;">\$</span> Other non-optional charges: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>
<b>GROSS RENT FOR UNIT:</b> (Tenant paid rent plus Utility Allowance & other non-optional charges) <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	<b>Unit Meets Rent Restriction at:</b> <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%
Maximum Rent Limit for this unit: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	

PART VII. STUDENT STATUS	
<b>ARE ALL OCCUPANTS FULL TIME STUDENTS?</b> <input type="checkbox"/> yes <input type="checkbox"/> no	<b>If yes, Enter student explanation* (also attach documentation)</b> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">           Enter 1-4         </div>
<b>*Student Explanation:</b> 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return	

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

SIGNATURE OF OWNER/REPRESENTATIVE

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

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

RECEIVED FOR RECORD 12-18-08  
 AT 2:40 PM  
 RECORDED IN SOUTH WINDSOR, CT  
 BY John A. Talbot  
 TOWN CLERK

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

## COVENANT OF COMPLIANCE AND REGULATORY AGREEMENT

This Covenant of Compliance And Regulatory Agreement (this "Agreement") made and entered into as of the 17<sup>th</sup> day of December, 2008 by and between **KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP**, a limited partnership organized and existing under the laws of the State of Connecticut, with an office and principal place of business at c/o Kelly Road GP, LLC, 6 Executive Drive, Farmington, Connecticut 06032 (the "Mortgagor" or "Declarant") and the **CONNECTICUT HOUSING FINANCE AUTHORITY**, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, having its office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (the "Authority" or "Mortgagee"),

### WITNESSETH:

WHEREAS, the Mortgagor, as owner in fee simple of the property described in **Exhibit A**, attached hereto and made a part hereof (the "Property"), has applied to the Authority for a first mortgage loan in the amount of up to FIVE MILLION NINE HUNDRED NINETY THOUSAND AND 00/100 (\$5,990,000.00) DOLLARS (the "Mortgage Loan") to aid the Mortgagor in financing on the Property a multifamily rental housing development known as Hillcrest for persons of low and moderate income, pursuant to the provisions of the Connecticut Housing Finance Authority Act, Chapter 134 of the Connecticut General Statutes, Revision of 1958, as amended, ("Act") and of the Internal Revenue Code of 1986 as amended (the "Code") and Regulations promulgated thereunder, as amended (the "Regulations"), identified as Authority Development No. 08-004M; and

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

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

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

#### 1. PROPERTY

This Agreement affects the Property.

#### 2. DEFINITIONS

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

- a. "Actual Cash Equity" means Mortgagor's cash equity in the Development, as verified by independent cost certification acceptable to the Authority, performed by an entity accepted by the Authority;
- b. "Agreement" means this Covenant of Compliance and Regulatory Agreement by and between Mortgagor and the Authority concerning the Development;

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File# 5796



- c. "Apartment Mix" means the apartment mix for the Qualified Units, as follows:

AMI	One-Bedroom	Two-Bedroom	Total
Max. 25% AMI	4	0	4
>25% to 50% AMI	10	0	10
>50% to 60% AMI	10	42	52
Totals	24	42	66

- d. "Approved Plans" means the plans, drawings and specifications described to the Authority's Board of Directors in the Resolution adopted October 30, 2008, as amended and accepted by the Authority;
- e. "Commitment Letter" means the Mortgage Loan commitment letter executed by and between the Mortgagor and the Authority, dated October 30, 2008, as amended;
- f. "Compliance Period" means with respect to any building, the period of fifteen (15) taxable years beginning with the first (1st) taxable year of the credit period with respect thereto, as defined in Section 42(i) (1) of the Code;
- g. "Construction Contract" means the general construction contract dated November 1, 2008 between Mortgagor and THE METRO CONSTRUCTION CORPORATION, 6 Executive Drive, Farmington, Connecticut 06032, relating to the Development;
- h. "Declaration" means the Declaration and Agreement of Restrictive Covenants between Mortgagor and the Authority of even date herewith;
- i. "Default" means an Event of Default as defined in the Authority Mortgage (as hereinafter defined) and declared by the Authority in a written notice to the Mortgagor which is not corrected to the Authority's satisfaction after written notice and within the time allowed by the Authority Mortgage, or such further time as may be allowed by the Authority;
- j. "Development" means the facilities described in the drawings, plans and specifications submitted to the Authority and in the presentation to and resolution of the Board of Directors of the Authority on October 30, 2008 and located on the Property;
- k. "Development Operations Account" means the account established pursuant to Paragraph 6 of this Agreement into which all Gross Revenues (as hereinafter defined) are deposited;
- l. "Distribution" means any withdrawal or taking of cash or any assets of the Mortgagor, including the segregation of cash or assets for subsequent withdrawal within the limitations of Paragraph 8.I. hereof, but excluding (i) payments for Operating Expenses (as hereinafter defined), (ii) subordinate debt payment obligations which are due and payable from Gross Revenues (as hereinafter defined) in accordance with Paragraph 6 (Development Operations Account) hereof, and (iii) additional interest required under the Authority Note;
- m. "Extended Use Period" with respect to a building means the period (i) beginning on the first (1st) day in the Compliance Period in which such building is part of a qualified low-income housing project, and (ii) ending on the later of (I) the date specified by the Authority in the Extended Low-Income Housing Commitment or (II) the date which is fifteen (15) years after the close of the Compliance Period;
- n. "Fiscal Year" means the calendar year or any other period agreed to in writing by the parties hereto as the fiscal year for the Mortgagor;
- o. "Gross Revenues" means, with respect to a particular period of time, all amounts received by the Mortgagor during such period from rents and revenues or any



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other source in connection with and arising out of the operation of the Property and the Development;

- p. "HUD" means the United States Department of Housing and Urban Development or any federal successor thereto;
- q. "Income Limitation" means 25 percent, 50 percent or 60 percent of area median gross income, as the case may be, adjusted for family size, within the meaning of the Code and Regulations. For this purpose, income is determined as defined under HUD regulations;
- r. "Mortgage Loan" means the \$5,990,000.00 interest bearing obligation evidenced by a promissory note of even date herewith from Mortgagor to the Authority (the "Authority Note") and secured by a mortgage deed (the "Authority Mortgage") which Authority Mortgage shall constitute a first lien on the Development;
- s. "Mortgage Loan Documents" means, collectively, the Authority Note, the Authority Mortgage, Security Agreement, Declaration, Collateral Assignment of Leases and Rentals, Building Loan Agreement and this Agreement, all of even date herewith, along with the Commitment Letter, and all other documents executed by Mortgagor in connection with the Mortgage Loan;
- t. "Operating Expense(s)" means any expense(s) incurred by the Mortgagor and accepted by the Authority which are reasonable and necessary for the sound operation and maintenance of the Property and the Development, including but not limited to: payments required under the Mortgage Loan (except for additional interest as provided for in the Authority Note), real estate taxes, payments in lieu of taxes, insurance premiums, utilities, fuel, management fees, repairs and other maintenance costs, trash and snow removal expenses, and any other similar expense required by or contemplated under the terms of this Agreement. Notwithstanding anything to the contrary contained herein, the term Operating Expenses shall exclude debt which is subordinate to the Mortgage Loan;
- u. "Qualified Person(s)" means individuals 62 years of age or older and/or Elderly Families, as defined in accordance with 24 CFR 5.403 who, at the time each such elderly individual or Elderly Family first occupies a unit in the Development have annual income that meets the Income Limitation;
- v. "Qualified Rent" means an annual gross rental not greater than 30 percent of the annual imputed Income Limitation applicable for such unit for each Qualified Person, in accordance with the Act, the Code and the Regulations; pursuant to Section 42 of the Code, the maximum rental limits applicable to Qualified Units shall be revised by a percentage equal to any percentage change in Area Median Income. Qualified Rent does not include any payment under Section 8 or any comparable rental assistance program (with respect to such Qualified Units or occupants thereof) and any equivalent rental payment under Section 515 of the Housing Act of 1949 or fee for a supportive service as defined by the Code, but shall include any utility allowance applicable pursuant to the Code, after taking into account such determinations under such Section 8;
- w. "Qualified Unit(s)" means a residential unit(s) at the Development occupied, or available for occupancy, by a Qualified Person(s) at the Qualified Rent;
- x. "Reserve for Replacements" or "Reserve Fund" means the account established by the Mortgagor pursuant to Paragraph 7d of this Agreement;
- y. "Residual Receipts" - see Paragraph 10i;
- z. "Section 42 Income Limitation" means 60 percent of area median gross income, adjusted for family size, within the meaning of the Code and Regulations. For this purpose, income is determined as defined under HUD regulations at 24 CFR 813.106 (1987).

- aa. "State" means the State of Connecticut; and
- bb. "Surplus Cash" means funds remaining at the close of a Fiscal Year after:
  - (1) The payment of:
    - (a) All sums due or currently required to be paid under the terms of the Authority Mortgage or the Authority Note including, but not limited to, scheduled debt service payments, required deposits to the Reserve for Replacements and other required escrows but excluding therefrom additional interest payments due under the terms of the Authority Note;
    - (b) Debt payment obligations subordinate to the Mortgage Loan which are due and payable from Gross Revenues rather than from Surplus Cash and which are referenced in Paragraph 6 (Development Operations Account) of this Agreement; and
    - (c) All remaining Operating Expenses other than those due or currently required to be paid under the terms of the Authority Mortgage or the Authority Note (including, without limitation, those due and/or payable within thirty (30) days after the close of the Mortgagor's Fiscal Year, unless funds for payment are set aside or payment deferral has been accepted in writing by the Authority);
  - (2) The segregation and recording of:
    - (a) An amount equal to the aggregate of all special funds required to be maintained by the Mortgagor; and
    - (b) The outstanding liability for tenant security deposits.

### 3. USE OF THE DEVELOPMENT

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

- a. The Development - The Development shall consist of the facilities described in the Approved Plans and shall be located on the Property.
- b. Components of Development - The Development shall consist of a building or buildings or structure or several proximate and interrelated buildings or structures owned by the same person(s) for tax purposes, located on a single tract of land and financed under a common plan of finance, and facilities functionally related and subordinated thereto:
  1. each building or structure containing one or more similarly constructed units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and
  2. all of the residential units of which shall be rented or available on a non-transient basis for rental to elderly members of the general public, shall be suitable for residential occupancy, and shall comply with all State and local health, safety and building codes.
- c. Completion - The Declarant shall proceed promptly and with due diligence to complete the Development.
- d. Change in Development - The Declarant shall make no change in the nature, size (including number of residential units) or location of the Development from that which was shown on the Approved Plans, as modified to date, without the prior written consent of the Authority.



- e. **Market Rate Units** – There will be twenty-two (22) market rate apartments with 4 one-bedroom units and 18 two-bedroom units. Market rate units shall be rented only in accordance with the Authority's Market Rate Management Procedures and to individuals or families with no more than 150% area median gross income not adjusted for family size.
- f. **Continuous Rental Restriction** - The Declarant shall, on a continuous basis, maintain eighty-eight (88) units in the Development as rented or available for rental to elderly members of the general public during the Compliance Period and the Extended Use Period.
- g. **Low and Moderate Income Restriction**
  - 1. During the term of the Authority Mortgage, the Compliance Period and the Extended Use Period, sixty-six (66) of the units in the Development shall be Qualified Units in accordance with the Apartment Mix.

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

2. After initial occupancy by Qualified Persons but upon again becoming vacant, a unit shall be treated as occupied by Qualified Persons until occupied, other than for a temporary period, by another occupant at which time the character of the unit shall be redetermined by the new occupant's income. In no event shall a temporary period exceed thirty (30) days. A unit occupied by an individual or family who, at the commencement of occupancy, was a Qualified Person shall be treated as occupied by a Qualified Person during such individual's or family's tenancy in such unit until such individual's or family's income exceeds 140 percent of the Section 42 Income Limitation at the time of the most recent Determination (as defined below). Once an individual's or family income exceeds 140 percent of the Section 42 Income Limitation, the unit occupied by such individual or family (an "Overincome Tenant") shall continue to be treated as occupied by a Qualified Person unless, after such Determination, but before the next Determination, any residential unit of comparable or smaller size is occupied by a new resident whose income exceeds the Income Limitation originally applicable to the Over Income Tenant. If, after such Determination but before the next Determination, a residential unit of comparable or smaller size in the Development is occupied by a new resident who meets the Income Limitation originally applicable to the Over Income Tenant, in accordance with the Apartment Mix, the rent applicable to the Over Income Tenant's unit may be raised to a rent based on 30 percent of the Section 42 Income Limitation at such time. Notwithstanding the provisions of this paragraph 3.f.2., the Development shall also comply at all times with the requirements of Section 42(g)(2)(D) of the Code.

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

4. The Declarant shall furnish to the Authority, on at least an annual basis or on some other basis as determined by the Authority to be required by the Act, the Code and the Regulations, such information as the Authority shall require, including any compliance forms required to be filed with the U.S. Secretary of the Treasury or the Authority, including the "Owner's Certificate of Continuing Program Compliance", attached hereto as **Exhibit B**, and to maintain on file Tenant Income Certification (TC-100), in the form attached hereto as **Exhibit C** (or such other form as may be accepted by the Authority, in order to permit verification that the covenants set forth herein are being satisfied by the Declarant and to take such action as the Authority shall deem necessary to comply with the covenants herein



or to correct or cure any failure of the Declarant to comply with the covenants herein. The Declarant shall use tenant lease forms acceptable to the Authority, or, if there are no written leases, written and signed certifications of tenants so as to be able to determine the qualifications of the tenant or take such other corrective action as is necessary to comply with the covenants herein or to correct or cure any failure of the Declarant to comply with the covenants herein. Such leases or certifications shall contain clauses wherein each tenant certifies as to the accuracy of statements made in the Tenant Income Certification and agrees that family income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she shall comply with all requests for information with respect thereto from the Declarant or the Authority, and that failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial and material obligation of his or her tenancy for which termination of the tenancy shall be a remedy.

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

- h. Use - Declarant understands and agrees that the Development shall be used only for multifamily residential rental housing within the meaning of the Act, the Code and the Regulations, as amended, and shall be used for the benefit of those members of the general public of low and moderate income upon certain terms and conditions. Declarant hereby covenants and represents to the Authority as follows:

1. During the Compliance Period and the Extended Use Period:

(i) the Mortgagor shall set aside sixty-six (66) of the units (the "Qualified Units") for Qualified Persons at the Qualified Rent.

(ii) Five (5) units in the Development shall be set aside for supportive housing.

2. The Qualified Units shall remain subject to the Low and Moderate Income Restriction, for a period of sixty-nine (69) years beyond the term of the Mortgage Loan.

3. The covenants and representations of the Mortgagor contained herein shall survive any sale, transfer, or other disposition of all or any portion of the Property or the Development by the Mortgagor or the repayment of the Mortgage Loan, and shall be binding upon the Mortgagor's successors and assigns, but may be waived by the Authority in its sole discretion upon the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, change in a Federal law or an action of a Federal agency which prevents the Authority from enforcing the requirements hereof, or condemnation or similar event. Notwithstanding the foregoing sentence, the covenants and representations of the Mortgagor herein shall survive a foreclosure, transfer of title by deed in lieu of foreclosure or similar event if, at any time during the Compliance Period, the Mortgagor or a related party (as defined in Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for Federal tax purposes.

4. In the event that the Development shall at any time be converted to a common interest community, such conversion shall include in the declaration of common interest community an affirmative covenant running with the land, and such common interest community shall be subject to the terms and conditions of this Agreement, which covenant shall bind the common interest community association, the common interest community unit owner and their respective successors and assigns, to the restrictions contained in this Agreement. Said covenant shall also require that no fewer than the number of units required, which units shall be designated and identified in the said declaration of common interest community either by unit number or other description, shall be sold, or held vacant for sale, only to individuals or families who are of low income, as determined by the

Authority or its successors at the time of such sale. The covenant shall be binding upon the common interest community association, its successors and assigns to the fullest extent permitted by law and equity, for the benefit of, in favor of and enforceable by the Authority, or its successors and assigns as their interests may appear; and said declaration of common interest community shall require that all units that are to be sold or available for sale to Qualified Persons, shall also be subject to the further restriction that no reconveyance of any such units shall be made unless and until the seller of such unit receives a certification in recordable form acceptable to the Authority or its successors or its nominee that the prospective purchaser is a Qualified Person at the time of the proposed conveyance. The Authority or its successors or nominee shall designate a party to issue such a certification of low income and shall notify the common interest community, from time to time, of the identity of such party.

No unit in the Development may be conveyed pursuant to a time-sharing plan as defined in Chapter 734b of the Connecticut General Statutes.

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

6. As required by the Authority, in every Fiscal Year during the Compliance Period and the Extended Use Period or until the Authority Mortgage has been released, whichever period is longer, the Declarant shall deliver to the Authority, in a form accepted by the Authority, a certified schedule of units occupied by Qualified Persons. The Authority shall have the right to observe the Property and the Development and review the Declarant's records regarding tenants and tenant selection policy at any time, and to request and receive any information, documentation, or other confirmation that Declarant's tenant selection policy complies with the requirements of the Authority.

7. To the extent necessary to comply with the Act, the Code and the Regulations, and the Authority's Procedures, including but not limited to the Qualified Allocation Plan and Application Process Procedures, the Authority shall have the right to take any and all actions which it deems appropriate, to rent any unleased or vacant dwelling unit in the Development (if the Development is used for rental units), including without limitation thereof the right to the appointment of a receiver to enter upon and take possession of the Property and the Development, to enter into tenant leases, to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct or to seek any remedy available or necessary for the enforcement of the covenants and restrictions herein. The receiver shall have the rights and powers permitted under the laws of the State and such other powers as the court making such appointment shall confer.



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

- i. Low-Income Housing Tax Credit Restrictive Covenant - Declarant shall comply with Section 42 of the Code regarding the low-income housing tax credit, including but not limited to, the Compliance Period, Extended Use Period and the Extended Low-Income Housing Commitment executed by Declarant and the Authority, which is incorporated herein by reference.
- j. Audit - The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination, observation and copying upon prior notice at any reasonable time by the Authority or by its authorized representative.
- k. Maintenance - Mortgagor shall maintain the Development in a decent, safe, and sanitary condition and in a good state of repair as determined by the Authority in its sole discretion.

#### 4. PROJECT MANAGEMENT

Mortgagor shall provide for the professional management of the Property and the Development in a manner acceptable to the Authority, in its sole discretion, shall employ a property manager (the "Management Agent"), and shall develop a Management Plan acceptable to the Authority. Any management agreement with the Management Agent entered into by Mortgagor involving the Property and the Development shall be accepted in writing in advance by the Authority and contain a provision that it is subject to termination, without penalty and with or without cause, upon written request by the Authority. Any notice of termination shall be addressed to Mortgagor and shall incorporate by reference the terms of this Agreement.

Upon receipt of such notice, Mortgagor shall terminate the said management agreement within a period of not more than thirty (30) days and shall make immediate alternative arrangements reasonably satisfactory to the Authority for continuing proper management of the Development.

If Mortgagor fails to so terminate and appoint a new Management Agent reasonably satisfactory to the Authority within said thirty (30) days, then the Authority shall designate a new Management Agent and Mortgagor shall execute the management agreement acceptable to the Authority. If the Mortgagor self-manages the Property and the Development, then the Authority may reasonably require Mortgagor to enter into a management agreement with an independent Management Agent at a rate and on terms and conditions accepted by the Authority. Mortgagor hereby constitutes and appoints the Authority its true and lawful attorney-in-fact, coupled with an interest, with full power of substitution for such purpose. Mortgagor hereby empowers said attorney-in-fact to execute a management agreement with a Management Agent acceptable to the Authority and to do any and every act which Mortgagor might do on its own behalf under such management agreement, as owner of the Development. This power of attorney may not be revoked during the term of this Agreement.

#### 5. PAYMENT RESTRICTION FOR SERVICES, ETC.

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

#### 6. DEVELOPMENT OPERATIONS ACCOUNT

Mortgagor shall deposit Gross Revenues with a depository in the State accepted by the Authority, in a Development Operations Account. The Authority shall at all times be advised of the name and number of each account and the bank or financial institution in which such



account is maintained. Funds shall be disbursed from the Development Operations Account, to the extent available, payable in the order as follows:

1. for all sums due or currently required to be paid under the terms of the Authority Mortgage or the Authority Note including, but not limited to, scheduled debt service payments, required deposits to the Reserve for Replacements and other required escrows but excluding additional interest provided for in the Authority Note;
2. for all remaining Operating Expenses other than those due or currently required to be paid under the terms of the Authority Mortgage or the Authority Note (including, without limitation, those due and/or payable within thirty (30) days after the close of the Mortgagor's Fiscal Year, unless funds for payment are set aside or payment deferral has been accepted in writing by the Authority);
3. for additional interest due to the Authority under the Authority Note (payable from Surplus Cash);
4. for Distributions pursuant to Paragraph 8l of this Agreement (payable from any remaining Surplus Cash); and
5. with the prior written acceptance of the Authority, for amenities or design modifications to the Development which:
  - (a) are necessary or desirable for the marketing of the Development;
  - (b) reduce maintenance or replacement costs over a substantial portion of the term of the Mortgage Loan;
  - (c) benefit a substantial portion of the residents of the Development by providing necessary or desirable social services that shall improve the health, education, opportunity, security and general welfare of such residents; or
  - (d) make an important contribution to the livability of the Development.

#### 7. DEPOSITS

Mortgagor shall pay, deposit or deliver the following to the Authority at the date hereof or as set out below:

- a. A non-refundable commitment fee, payable upon Mortgagor's execution of the Commitment Letter, in the amount of SEVENTY-FOUR THOUSAND EIGHT HUNDRED SEVENTY-FIVE AND 00/100THS (\$74,875.00) DOLLARS which commitment fee is in full consideration for the making of the commitment by the Authority and the reservation of the Mortgage Loan for the term of the Commitment Letter and which sum shall be deemed earned by the Authority when paid.
- b. A good faith and working capital deposit in the amount of TWO HUNDRED NINETY-TWO THOUSAND THREE HUNDRED SEVEN AND 00/100THS (\$292,307.00) DOLLARS in the form of an irrevocable and unconditional letter of credit in form and content and issued by a financial institution satisfactory to the Authority, which shall name the Authority as the sole beneficiary thereof. This deposit shall be governed by the Good Faith and Working Capital Letter of Credit Agreement of even date, which is incorporated herein by reference.
- c. Assurance of completion of the work at the Development in the form of 100% Payment and Performance Bonds ("Bonds").
- d. A replacement reserve payable monthly upon the Commencement of Amortization, or at such other time as may be determined by the Authority, in an amount to be determined by the Authority, which amount shall be subject to annual adjustment in the discretion of the Authority. The Reserve Fund plus any interest or other earnings thereon, whether in the form of a cash deposit or reinvestment in obligations of, or fully guaranteed by, the United States of America or an agency thereof or the State, shall at all times be under the sole control of the Authority, and shall be subject to annual adjustment. The Authority shall permit disbursements from the Reserve Fund only for the purpose of effecting replacement of structural elements and mechanical equipment of the Development or for improvements thereto or for other purposes related to the Development as determined by the President-Executive Director of the Authority. Such

disbursements shall only be made upon the written direction or consent of the Authority. Upon the occurrence of an Event of Default (as defined in the Authority Mortgage), the Authority may apply or authorize the application of the balance in the Reserve Fund to the amount due on the Mortgage Loan, or at its option, may elect to maintain the Reserve Fund for its established purposes. The Authority shall have no liability for deficiencies in the Reserve for Replacements or the Development Operations Account arising from Mortgagor's failure to timely or adequately fund deposits therein.

- e. A tax escrow as set out in the Authority Mortgage.
- f. An insurance escrow as set out in the Authority Mortgage.
- g. Any reasonable costs, fees and expenses, including, but not limited to, Authority's attorney's fees arising in preparation for the Initial Closing or Final Closing of the Mortgage Loan.

#### 8. CERTAIN ACTS PROHIBITED

Mortgagor shall not, without the prior written acceptance of the Authority:

- a. Sell, convey (including transition, conveyance or transfer to a limited liability company), assign, transfer, lease (except for apartment leases on the form lease accepted by the Authority) or further encumber any interest in or any part of the Property, nor shall a voluntary sale, pledge or other transfer of any beneficial interest in Mortgagor be effected;
- b. Assign, pledge, transfer, dispose of or encumber any personal property of the Property or the Development, including rents, or pay out any funds, except for Operating Expenses and necessary repairs;
- c. Convey, assign, pledge, or transfer any right to receive the rents and/or profits from the Property or the Development;
- d. Remodel, add to, reconstruct, demolish or damage any part of the Development after the issuance of permanent certificates of occupancy, or subtract from any real or personal property of the Development;
- e. Engage, except for natural persons, in any other business or activity, including the operation of any other housing development, or incur any liability or obligation not connected with the Development;
- f. Require, as a condition of the occupancy or leasing of any unit in the Development, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of two (2) months' rent, as permitted by law, to guarantee the tenant's performance of the lease. Any funds collected as security deposits shall be maintained separate and apart from all other funds of the Development in a trust account with a federally insured depository within the State, accepted in writing by the Authority, the amount of which shall at all times equal or exceed the aggregate of all outstanding security deposit obligations of the Development. If interest is earned on said trust account, it shall be transferred, as earned, into the Development Operations Account, except as otherwise required by law;
- g. Permit the use of the dwelling accommodations of the Development for any purpose except as residential rental dwelling units;
- h. Incur any liability, direct or contingent, other than for current Operating Expenses, exclusive of the Mortgage Loan and any deferred Developer Fee (as may be set out in the Commitment Letter);



- i. Pay any compensation, including wages or salaries, or incur any obligations to the Mortgagor's staff or any officers, directors, stockholders, trustees, partners, beneficiaries under a trust, or to any of their nominees;
- j. Enter into any contract or contracts for supervisory or managerial services;
- k. Invest or deposit any funds from the Development in any property (real, personal or mixed), except obligations of, or fully guaranteed or secured as to principal by, the United States of America, or any agency thereof, the State, or obligations thereof, or deposit such funds in a depository not acceptable to the Authority;
- l. Make, receive or retain any Distribution except on the following conditions, provided that no Distribution shall occur without the prior written acceptance of an authorized officer of the Authority:
  - (1) All Distributions shall be made only after the end of each Fiscal Year and subsequent to audited financial statements accepted by the Authority. All Distributions in any one Fiscal Year shall be limited to 10 percent of the Mortgagor's Actual Cash Equity and be allowed only after the Authority, in its sole discretion, determines that the Development and operation thereof meet the following criteria to its satisfaction:
    - A. Management - The Development shall be operated in a manner consistent with Authority's standards as described in the management plan accepted by the Authority.
    - B. Financial Condition - The Development shall be operated in a financial manner which allows the Mortgagor to pay all the obligations, fund all reserves as required and demonstrate an ability to be consistent in this manner throughout the Fiscal Year.
    - C. Physical Condition - The Development shall be maintained in good physical condition as demonstrated by the Authority's physical observation. The Development shall not have any physical impediments, which shall require financing from sources other than the Reserve for Replacements.
    - D. Low-Moderate Income - No Distribution shall cause rents to be raised on any Qualified Unit to a level which would prohibit the rental of the unit to Qualified Persons at the Qualified Rent. Rents shall be established to meet the objectives described in this Agreement.
    - E. Market Conditions - Distributions shall be a function of market conditions. Market conditions shall be considered in establishing rental schedules.
    - F. Distributions shall be cumulative and payable from Surplus Cash, if any, at the end of successive Fiscal Years subsequent to Authority acceptance of audited financial statements for such Fiscal Years.
  - (2) Distributions shall not be made from proceeds of the Mortgage Loan prior to the completion of work at the Development in accordance with the Construction Contract and the Approved Plans or when there is any Event of Default (as defined in the Authority Mortgage);
  - (3) Distribution of any funds arising out of the operation of the Development, to a party not entitled to receive such funds hereunder, shall be held in trust by said party separate and apart from any other funds; and
  - (4) No Distribution shall be made until all outstanding notices or requirements for proper maintenance and operation of the Development have been complied with.

- m. Terminate, assign or transfer any right to manage the Development (except in accordance with the provisions of this Agreement);
- n. Make a loan of any funds from the Development to any person or entity;
- o. Incur any liability or obligation in connection with the Development, contingent or otherwise, with the exception of current Operating Expenses and for the indebtedness evidenced by the Authority Note, or other financing(s) accepted by the Authority; or incur any liability or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrances on the Development, or funds of the Development; or
- p. Require tenants to pay any mandatory charges for additional services or facilities.

#### 9. REPORTING REQUIREMENTS

- a. Unless another period for reporting is specified by the Authority in writing, Mortgagor shall furnish the Authority with occupancy reports and reports of income, expenses, accounts receivable and accounts payable on a quarterly basis. Mortgagor shall pay such penalty as may be imposed by the Authority in the event of failure to comply with this requirement. Such reports shall be provided no later than the 15th day of each month. Mortgagor shall also provide such additional information as the Authority may reasonably request from time to time relative to the ownership, operation and maintenance of the Property and the Development.
- b. Within sixty (60) days following the close of each Fiscal Year, Mortgagor shall furnish the Authority with a complete annual financial report prepared and certified by a certified public accountant for the Development based upon an examination of the books and records of the Mortgagor, containing a detailed, itemized statement of Gross Revenues, Operating Expenses, Surplus Cash, Distributions, and all other income and expenditures, prepared and certified to be in accordance with the Procedures and standards accepted by the Authority and in conformity with generally accepted accounting principles applied on a consistent basis, and further certified by the Mortgagor or its duly authorized agent.
- c. Annually, not later than sixty (60) days before the beginning of each Fiscal Year, Mortgagor shall submit to the Authority an itemized budget of Gross Revenues, Operating Expenses, Surplus Cash and Distributions for the following Fiscal Year. Such budget shall be accompanied by supporting documentation requested by the Authority. Upon acceptance by the Authority, such budget shall be the Development's budget for the ensuing Fiscal Year.
- d. All records, accounts, books, tenant lists, applicant waiting lists, documents, and contracts relating to the Development shall at all times be kept separate and identifiable from those of any other business of the Mortgagor which is unrelated to the Development and shall be maintained within the State, as required by the Authority from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Authority.

#### 10. ESTABLISHMENT OF RENTS - QUALIFICATIONS OF TENANTS

Mortgagor further covenants and agrees that:

- a. With the prior written acceptance of the Authority, Mortgagor shall establish and maintain for each dwelling unit at the Development a rental charge which shall satisfy the requirements of the Act, the Code, the Regulations and this Agreement, and provide income to the Development sufficient for the payment of principal, interest, fees and charges to the Authority under the Authority Mortgage and Authority Note.



- b. On forms accepted by the Authority, Mortgagor shall obtain a certification of income from each prospective tenant, prior to execution of a lease and admission to the Development as a tenant.
- c. Mortgagor shall obtain written evidence substantiating the information given on the tenants' certifications of income in a manner prescribed by the Authority and shall maintain on file for the Authority's review a copy of such evidence. Mortgagor agrees that no person has been accepted or shall be accepted for occupancy of a Qualified Unit, nor shall any person be permitted to occupy any Qualified Unit in the Development or any portion thereof, without such person's application for occupancy having first been reviewed by or on behalf of the Authority, except that no such lease acceptance or submission shall be required with regard to leases of one dwelling unit within the Property for terms not in excess of one (1) year unless requested in writing by Mortgagee subject to the requirements of Section 42 of the Code.
- d. Mortgagor shall require all tenants to execute a lease in the form prescribed or accepted by the Authority.
  - (1) In the case of Qualified Units, Mortgagor shall require the execution of a lease which shall provide for an annual certification of income by the tenant and for termination of the lease and eviction of an individual or family for violation of the eligibility requirements, as constituting material non-compliance under the lease. Said lease form shall also prohibit the assignment of the lease or subleasing of the unit to persons other than those accepted by the Mortgagor as meeting the eligibility requirements.
  - (2) No unit in the Development shall be rented for a term of less than one (1) year nor more than two (2) years without the Authority's prior acceptance.
- e. No changes shall be made in the rental charges accepted by the Authority, except as may be adjusted in the annual budget accepted in writing by the Authority.
- f. Mortgagor shall not permit a tenant to rent more than one (1) residential dwelling unit at any given time without the prior written acceptance of the Authority.
- g. Mortgagor shall obtain prior written acceptance of the Authority for: (1) all documents used in renting the dwelling units and any commercial facilities including but not limited to lease forms and applications; (2) all advertising and other public information regarding the Development; and (3) all procedures and standards to be utilized regarding acceptance or rejection of prospective tenants.
- h. Mortgagor shall grant to the Authority the right to execute leases on behalf of the Mortgagor from time to time for all sixty-six (66) Qualified Units in the Development with Qualified Persons, upon the sole determination by the Authority that the exercise of this right is necessary to preserve compliance with the Code regarding low income housing tax credits allocated to the Development. In that event, the Authority shall be deemed an agent for the Mortgagor and shall deposit Gross Revenues into the Development Operations Account.
- i. Any Surplus Cash remaining at the end of any Fiscal Year shall be considered "Residual Receipts" and shall be paid to and held by the Authority and deposited in an interest-bearing account accepted by and in the name of the Authority. The Authority or its successor or assign shall own and maintain sole ownership and control of funds deposited in the Residual Receipts account at all times. Residual Receipts shall be disbursed only on the direction of the Authority, which shall have the power and authority to direct that the Residual Receipts, or any part thereof, be used for such purpose as it may determine to benefit the Development.
- j. All rents received by the Mortgagor in excess of the maximum rents permitted or in excess of Qualified Rents shall be paid over by Mortgagor to the Authority.

- ## 11. NONDISCRIMINATION

Mortgagor shall not discriminate against tenants or applicants who are recipients of Federal rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or any successor subsidy program.

As security for the payments due under this Agreement, for the Reserve for Replacements and for the other obligations under the Mortgage Loan, Mortgagor hereby assigns and pledges to the Authority, its rights to the rents, profits, income and charges of whatever sort which it may receive or be entitled to receive in connection with the operation of the Property and the Development. Unless an Event of Default has occurred, permission is granted to Mortgagor to collect and retain such rents, profits, income, and other payments.

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

Mortgagor agrees promptly to notify the Authority in writing of any suits by or against Mortgagor, the Authority or the Development. No litigation seeking the recovery of a sum in excess of \$5,000.00 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$5,000.00 or suit for specific performance be settled or compromised by Mortgagor unless prior written consent thereto has been obtained from the Authority. Such consent may be subject to such terms and conditions as the Authority may, in its sole discretion, prescribe.

In order to comply with the Act, the Code and the Regulations and applicable statutes and regulations, Mortgagor agrees that, throughout the period as set forth in Paragraph 3, all of the Qualified Units in the Development shall be rented to Qualified Persons at a rental not in excess of Qualified Rent. Mortgagor shall comply with all State and federal laws and requirements, and



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the Authority's policies and Procedures. In addition and without limitation thereto, Mortgagor shall agree to the Apartment Mix and shall provide a marketing plan acceptable to the Authority.

- a. Prior to completion of the construction/renovation work at the Development, the Mortgagor shall advertise the availability of apartment units in manners reasonably calculated to reach Qualified Persons. All advertisements shall be accepted in writing by the Authority prior to placement with any of the media. The Mortgagor shall verify the income of each applicant for a Qualified Unit.
- b. Mortgagor agrees that on and after the date of notification by the Authority to Mortgagor with respect to the availability of subsidy funds, it shall not reject an applicant for a rental who, except for lack of adequate income, is acceptable as a tenant. Mortgagor shall submit the application of such prospective tenant to the Authority for consideration by the Authority of the granting of a subsidy to such a prospective tenant during the term of the lease. The Authority may submit to Mortgagor the names of applicants for occupancy as tenants, and Mortgagor shall review the application(s) and interview such prospective tenants.
- c. Following initial occupancy, Qualified Units vacated by Qualified Persons shall be rented only to other Qualified Persons in order to maintain the Apartment Mix. Mortgagor may modify the allocation and distribution of Qualified Units so reserved only with the prior written permission of the Authority. Any such modification shall be carried out so that at all times, the Qualified Units shall be occupied by (or previously occupied by and available for rental solely to) Qualified Persons.
- d. Mortgagor represents and warrants that at all times its acts in connection with the Development have complied with and shall continue to comply with all applicable provisions of federal, state and local laws, and all agreements with the Authority and any other public entities concerning the Development as amended from time-to-time. The Mortgagor also represents to the Authority that professional advice is available to the Mortgagor for the purpose of enabling the Mortgagor to be aware of, and to comply with, said laws, policies, procedures and agreements. The Mortgagor shall indemnify the Authority against any loss incurred by the Authority as a result of the Mortgagor's failure to comply therewith.
- e. Mortgagor acknowledges the existence of federal, state and local laws regarding handicapped accessibility and the relocation of persons displaced by the Development. Mortgagor agrees that the Mortgagor, and not the Authority, is responsible for complying with such laws, as they may apply to the Development.

#### 16. CONTRADICTIONARY REQUIREMENTS

Mortgagor warrants that it has not, and shall not, execute other agreements with provisions contradictory, or in opposition to the provisions hereof, and that in any event the requirements of this Agreement are paramount and controlling and shall supersede any other requirements in conflict therewith except as provided below. Notwithstanding the foregoing, Mortgagor acknowledges that a purpose of this Agreement is to compel and document compliance with provisions of the Act, the Code and the Regulations applicable to Qualified Residential Rental Projects, and to the extent that any provision hereof is now or shall become in conflict with any such provision of the Act, the Code and the Regulations, such provision of the Act, the Code and the Regulations shall prevail.

Mortgagor shall comply with all provisions of the Code and Regulations applicable to Qualified Residential Rental Projects, whether or not such provisions are specifically set forth herein. Mortgagor further acknowledges that the representations and covenants set forth herein are based upon the Code and Regulations in their present form, and that both may be amended and the interpretations of their respective provisions may be changed or clarified in a manner inconsistent with the provisions hereof.

Mortgagor shall use its best efforts to take such actions, or to refrain from taking such actions, as are authorized by law and as may be necessary for the Development to continue to constitute a Qualified Residential Rental Project as may be required by the Code or Regulations

as either may be amended or as the interpretation of their respective provisions may be changed or clarified.

#### 17. FURTHER ACTION AND ASSURANCES

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

#### 18. PARTNERSHIP REQUIREMENTS

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

#### 19. PERSONAL LIABILITY

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

#### 20. REMEDIES

a. Upon violation of any of the provisions of this Agreement by Mortgagor, the Authority may give written notice thereof to Mortgagor by registered or certified mail addressed to the address stated in this Agreement, or such other address(es) as may subsequently be supplied by appropriate written notice to the Authority. If such violation is not corrected to the satisfaction of the Authority within thirty (30) days after the date such notice is mailed or within such further time as the Authority in its sole discretion may permit, the Authority without further notice, may declare that an Event of Default has occurred. Upon such default, the Authority may resort to one, all or any combination of the following courses of action:

- i. declare the whole of the indebtedness under the Authority Note immediately due and payable and proceed with the foreclosure of the Authority Mortgage;
- ii. collect or cause to be collected all rents and charges in connection with the operation of the Property and the Development and use such collections or cause such collections to be used to pay such Mortgagor's obligations under this Agreement and under the Authority Mortgage and the necessary expenses of preserving and operating the Development;
- iii. take possession of the Property and the Development, bring any action necessary to enforce any rights of Mortgagor growing out of the operation of the Property and the Development, and operate the Property and the Development in accordance with the terms of this Agreement and in compliance with the requirements of the Authority Mortgage;
- iv. apply to any court for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Property and the Development in accordance with the terms of this Agreement, or for such other relief as may be appropriate, since the injury to the Authority arising from a default under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain; and
- v. seek any other remedy permitted under the Mortgage Loan Documents.



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

## 21. CONTINUING EFFECT

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

## 22. NOTICES

Unless otherwise provided for herein, all notices and communications required or permitted hereunder shall be sent to the addresses on page 1 hereof, in writing, and shall be deemed to have been duly given (a) when sent, if sent by registered or certified mail (return receipt requested, postage prepaid), (b) when delivered, if delivered personally, (c) when transmitted, if sent by facsimile and a confirmation of transmission is produced by the sending machine, or (d) when sent, if sent by overnight mail or overnight courier, in each case with a copy (which shall not constitute notice) to the Authority's General Counsel at the above address.

Any notice of any kind sent hereunder to any party shall simultaneously be sent to each and every other party hereto. Any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, acceptance, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, acceptance, declaration or other communication.

## 23. GOVERNING LAW

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

## 24. VALIDITY

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

## 25. AMENDMENTS

This Agreement cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless in writing and signed by the party against which enforcement is sought.

## 26. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute the same Agreement.

## 27. FALSE STATEMENTS

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

## 28. MISCELLANEOUS

Mortgagor hereby agrees that Mortgagor (a) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or

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regulation promulgated pursuant to such act during the three years immediately preceding the date hereof, which violation(s) (i) was cited in accordance with provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970 and (ii) was not abated within the time fixed by the citations and (iii) such citation has not been set aside, and (b) has not received one or more criminal convictions related to the injury or death of any employee in such three year period.

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



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

Signed, Sealed and Delivered  
In the presence of:

KELLY ROAD ASSOCIATES  
LIMITED PARTNERSHIP  
BY: Kelly Road GP, LLC, General Partner

  
Andy P. Kowalski  
  
Rebekah Rolle

BY:   
Geoffrey W. Sager  
Manager

  
Rebekah Rolle  
  
LAWRENCE C. PILCHER

CONNECTICUT HOUSING  
FINANCE AUTHORITY

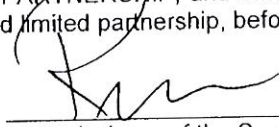
BY:   
John K. Craford  
Executive Vice President

STATE OF CONNECTICUT )  
COUNTY OF HARTFORD )

ss: ROCKY HILL

December 17, 2008

Personally appeared, Geoffrey W. Sager, Manager of Kelly Road GP, LLC, General Partner of KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP, a Connecticut limited partnership, as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed as Manager of Kelly Road GP, LLC, General Partner of KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP, and that said instrument was signed on behalf of and with the authority of said limited partnership, before me.

  
Commissioner of the Superior Court

STATE OF CONNECTICUT )  
COUNTY OF HARTFORD )

ss: ROCKY HILL

December 16, 2008

Personally appeared, John K. Craford, Executive Vice President of the CONNECTICUT HOUSING FINANCE AUTHORITY, duly authorized as aforesaid Signer and Sealer of the foregoing Instrument and acknowledged the same to be his free act and deed and the free act and deed of said Authority, on behalf of said Authority, before me.

  
Notary Public  
MY COMMISSION EXPIRES JULY 31, 2012



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Exhibit A  
Property Description

Being that certain parcel of land in the Town of South Windsor, County of Hartford, State of Connecticut, shown as "N/F Kelly Road Associates Limited Partnership Lot #1" on a plan entitled: "ALTA/ACSM SURVEY, Prepared for: Kelly Road Associates Limited Partnership, 25 Gerber Road East, South Windsor, Connecticut, Date: 10-23-2008, Revisions 11/06/08, 11/25/08, 12/1/08, Scale 1" = 50', Design Professionals Inc." being more particularly bounded and described as follows:

Beginning at a monument on the southerly right-of-way line of Kelly Road;

Thence in an easterly direction along the southerly right-of-way line of Kelly Road, on a curve to the left having a central angle of  $17^{\circ}54'48''$ , a radius of 772.00 feet, and an arc length of 241.36 feet to a point;

Thence  $N89^{\circ}04'07''E$  along the southerly right-of-way line of Kelly Road, 213.61 feet to a point;

Thence  $S89^{\circ}27'46''E$  along the southerly right-of-way line of Kelly Road, 186.72 feet to a point;

Thence  $S43^{\circ}28'59''E$  along the westerly right-of-way line of Gerber Road East, 44.32 feet to a point;

Thence  $S11^{\circ}18'50''W$  along the westerly right-of-way line of Gerber Road East, 662.41 feet to a point;

Thence  $N81^{\circ}34'14''W$  along the northerly property line of land now or formerly Gerber Scientific Inc., 445.80 feet to a point on the easterly property line of land now or formerly Gerb (CT) QRS 14-73 Inc.;

Thence  $N18^{\circ}31'18''E$  along the easterly property line of Gerb (CT) QRS 14-73, Inc., 219.29 feet to a point;

Thence  $N70^{\circ}52'40''W$  along the northerly property line of Gerb (CT) QRS 14-73, Inc., 391.88 feet to a point on the easterly right-of-way line of Gerber Road West;

Thence  $N19^{\circ}07'20''E$  along the easterly right-of-way line of Gerber Road West, 364.73 feet to a point on the southerly right-of-way line of Kelly Road;

Thence  $S68^{\circ}31'50''E$  along the southerly right-of-way line of Kelly Road, 89.45 feet to the point and place of beginning.

TOGETHER WITH:

1. A Sanitary Sewer Easement from GERB (CT) QRS 14-73, Inc. to Gerber Scientific, Inc. which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 50 of the South Windsor Land Records.
2. A Grading, Sloping and Planting Easement from GERB (CT) QRS 14-73, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 63 of the South Windsor Land Records.
3. A Sanitary Sewer Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 82 of the South Windsor Land Records.
4. A Grading, Sloping and Planting Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 78 of the South Windsor Land Records.
5. A Drainage Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 74 of the South Windsor Land Records.

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**Exhibit B**

Received Date (For Office Use Only)

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

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

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

If either of the above applies, please check the appropriate box, and proceed to page 2 to sign and date this form.

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

The undersigned \_\_\_\_\_ on behalf of \_\_\_\_\_ (the "Owner"), hereby certifies to the

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

- I. The project met the minimum requirements of: (check one)  
☐ 20 - 50 test under Section 42(g)(1)(A) of the Code  
☐ 40 - 60 test under Section 42(g)(1)(B) of the Code

And, if applicable to the project: (check)  
☐ 15 - 40 test for "deep rent-skewed" projects under Section 42(g)(4) and 142(d)(4)(B) of the Code;

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

If "Change" list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 3.

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

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

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

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

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

If "Change", state nature of the change on page 3.

- VIII. All tenant facilities included in the eligible basis under Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building:  
☐ YES ☐ NO

- IX. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income:  
☐ YES ☐ NO



- X. If the income of tenants of a low-income unit in the building increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the building was or will be rented to tenants having a qualifying income;  
☐ YES ☐ NO
- XI. An extended low-income housing commitment as described in Section 42(h)(6) was in effect (for buildings subject to Section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308-2311), including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to Section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 312, 438-439);  
☐ YES ☐ NO ☐ N/A
- XII. All low-income units in the project were used on a nontransient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv));  
☐ YES ☐ NO ☐ HOMELESS
- XIII. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42 (h)(5) of the code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code;  
☐ YES ☐ NO ☐ N/A
- XIV. There has been no change in the ownership or management of the project;  
☐ NO CHANGE ☐ CHANGE  
 If "Change", complete page 3 detailing the changes in ownership or management of the project.
- XV. The Owner complies with Internal Revenue Service ("IRS") Revenue Ruling 2004-82, which at Question and Answer 5, states that Internal Revenue Code ("IRC") Section 42(h)(6)(B)(i) requires that "an extended low-income housing commitment include a prohibition during the extended use period against (1) the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit (no-cause eviction protection) and (2) any increase in the gross rent with respect to the unit not otherwise permitted under § 42; and  
☐ YES ☐ NO
- XVI. The person responsible for the tax credit management of the property has attended LIHTC training within the past two years. Provide copy of certificate of continuing education.  
☐ YES ☐ NO

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

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

\_\_\_\_\_  
 (Ownership Entity)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signed sealed and delivered in the presence of:

Notary: \_\_\_\_\_

Witness: \_\_\_\_\_ My commission expires: \_\_\_\_\_

Date of Execution: \_\_\_\_\_ (NOTARY PUBLIC SEAL)





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**EXHIBIT C****TENANT INCOME CERTIFICATION  
TC-100**☐ Initial Certification ☐ Recertification ☐ Other

Effective Date: \_\_\_\_\_

Move-in Date: \_\_\_\_\_  
(MM/DD/YYYY)**PART I - DEVELOPMENT DATA**Property Name: \_\_\_\_\_ County: \_\_\_\_\_ BIN #: \_\_\_\_\_  
Address: \_\_\_\_\_ Unit Number: \_\_\_\_\_ # Bedrooms: \_\_\_\_\_**PART II. HOUSEHOLD COMPOSITION**

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

**PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)**

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

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

TOTAL INCOME (E): \$

**PART IV. INCOME FROM ASSETS**

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$

Enter Column (H) Total If over \$5000 \$ X 2.00% = (J) Imputed Income \$

Enter the greater of the total of column I, or J: imputed income TOTAL INCOME FROM ASSETS (K) \$

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

\$

**HOUSEHOLD CERTIFICATION & SIGNATURES**

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

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

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

Signature \_\_\_\_\_

(Date) \_\_\_\_\_

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PART V. DETERMINATION OF INCOME ELIGIBILITY			
<b>TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES:</b> From item (L) on page 1 <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	<b>Household Meets Income Restriction at:</b> <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	<b>RECERTIFICATION ONLY:</b> Current Income Limit x 140%: <span style="border: 1px solid black; padding: 2px 20px;">\$</span> Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Current Income Limit per Family Size: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>			
Household Income at Move-in: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	Household Size at Move-in: _____		

PART VI. RENT	
Tenant Paid Rent <span style="border: 1px solid black; padding: 2px 20px;">\$</span> Utility Allowance <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	Rent Assistance: <span style="border: 1px solid black; padding: 2px 20px;">\$</span> Other non-optional charges: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>
<b>GROSS RENT FOR UNIT:</b> (Tenant paid rent plus Utility Allowance & other non-optional charges) <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	<b>Unit Meets Rent Restriction at:</b> <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%
Maximum Rent Limit for this unit: <span style="border: 1px solid black; padding: 2px 20px;">\$</span>	

PART VII. STUDENT STATUS	
<b>ARE ALL OCCUPANTS FULL TIME STUDENTS?</b> <input type="checkbox"/> yes <input type="checkbox"/> no	<b>If yes, Enter student explanation* (also attach documentation)</b> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div> Enter 1-4
<b>*Student Explanation:</b> 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return	

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

SIGNATURE OF OWNER/REPRESENTATIVE

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

SIGNATURE OF OWNER/REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_

RECEIVED FOR RECORD 12-18-08  
 AT 2:40 PM  
 RECORDED IN SOUTH WINDSOR, CT  
 BY HOUA TASHAN  
 CLERK



803  
30

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5803

DOCUMENT NO. 92269

DECLARATION OF LAND USE RESTRICTIVE COVENANT  
HOME (For Rental)

After recording, please return to:

State of Connecticut  
Department of Economic Community Development  
Office of Housing Development and Finance  
505 Hudson Street  
Hartford, CT 06106



Doc ID: 001734440015 Type: LAN  
Book 2014 Page 43 - 57  
File# 5803

DECLARATION OF LAND USE RESTRICTIVE COVENANTS  
Rental Housing

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS, (this "Declaration") is made as of December 3, 2008 by KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP, acting by its General Partner, KELLY ROAD GP, LLC, their successors and assigns (the "Owner") and is given as a condition precedent to the award to Owner of HOME Investment Partnership Program funds ("HOME Funds") pursuant to the HOME Investment Partnership Program created by Subtitle A of Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, by the State of Connecticut (the "State"), acting by its Commissioner of Economic and Community Development, (the "Commissioner").

WITNESSETH:

**WHEREAS**, the Owner is the owner of a rental housing development located in the Town of South Windsor, Connecticut, more particularly described in Schedule A hereto, known as Hillcrest Project and identified by the State as Project No. HM0813201 (the "Development"); and

**WHEREAS**, the Owner, has received financial assistance from the State for the purpose of acquisition and/or rehabilitation/construction of units of rental housing within the Development, pursuant to the provisions of 24 CFR Part 92; and

**WHEREAS**, eleven (11) of the units situated in the Development, as more particularly itemized on Schedule B hereto, have been designated by the Owner as HOME-assisted units (the "HOME-Assisted Units"); and

**WHEREAS**, the Owner has represented to the State certain rent restrictions it will maintain for the period of time as specified in the agreement for financial assistance of even date herewith from the State to the Owner (the "Assistance Agreement") knowing and understanding that the State is relying on such representations; and

**WHEREAS**, the United States Department of Housing and Urban Development ("HUD") requires as a condition precedent to the awarding of HOME Funds, that the Owner execute, deliver and record this Declaration on the official land records of the municipality in which the Development is located in order to create certain covenants

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running with the land for the purpose of enforcing the requirements of 24 CFR 92.252 and the use restrictions found in Section 4 of this Declaration, by regulating and restricting the use, occupancy and transfer of the Development, as set forth herein; and

**WHEREAS**, the regulatory and restrictive covenants set forth herein governing the use, occupancy, operation, and transfer of the Development shall be and are covenants running with the land thereon for a term which, except as otherwise is expressly provided in Section 5 of this Declaration, shall terminate twenty (20) years after the date of the recording of this Declaration and are binding upon all subsequent owners of the Development for such term, and are not merely personal covenants of the Owner; and

**WHEREAS**, the State as a condition of its willingness to extend the financial assistance, requires that the Owner shall, by entrance into the terms, conditions and covenants set forth below, consent thereby to be regulated and restricted by the State as provided herein and by any applicable statutes and rules, regulations, policies and procedures of the State and HUD.

**NOW THEREFORE**, in consideration of the award of the HOME Funds by the State, the Owner agrees as follows:

### **Section 1 - Definitions**

All the words and phrases used in this Declaration shall have the same meaning as when used in 24 CFR Part 92, and other applicable HUD regulations, unless the context requires otherwise.

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

(a) Upon execution of this Declaration by the Owner, the Owner shall cause this Declaration and all amendments hereto to be filed on the land records of the municipality in which the Development is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to the State a receipt of the same and shall cause the recorded Declaration to be returned by the municipality to the State.

(b) The Owner intends, declares, and covenants, on behalf of itself and all future owners and operators of the Development during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Development (1) shall be and are covenants running with the land, encumbering the Development for the term of this Declaration, binding upon the Owner's successors in title and all subsequent owners and operators of the Development; (2) are not merely personal covenants of the Owner; and (3) shall bind the Owner (and the benefits shall inure to the State and any past, present or prospective tenant of the Development) and its respective successors and assigns during the term of this Declaration.



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(c) The Owner hereby agrees that any and all requirements of the laws of the State of Connecticut to be satisfied in order for the provisions of this Declaration 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 Development.

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

(e) The Owner covenants to obtain the consent of any prior recorded lien holder on the Development to this Declaration 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 Declaration.

**Section 3 - Representations, Covenants And Warranties Of The Owner**

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

(a) The Owner (1) is a limited 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 Declaration.

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

(c) The Owner will, at the time of execution and delivery of this Declaration, have good and marketable title to the premises constituting the Development, free and clear of any lien or encumbrance (except for encumbrances created pursuant to this Declaration, or other encumbrances permitted pursuant to the terms of the Assistance Agreement as set forth on Schedule C attached hereto).

(d) There is no action, suit, proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if



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adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

(e) The Development constitutes or will constitute HOME-Assisted Units or a HOME-assisted development, as applicable, as defined in 24 CFR Part 92 and other applicable regulations.

(f) All HOME-Assisted Units or the HOME-assisted development is and will remain habitable according to HUD Section 8 Housing Quality Standards or local codes, whichever is more stringent.

(g) The Owner shall not convey, transfer, sell or encumber all or any portion of the Development, or permit the same, without the prior written consent of the State.

(h) Subject to the requirements of 24 CFR Part 92, and this Declaration; and with the prior approval of the State, the Owner may sell, transfer, or exchange the entire Development at any time, but the Owner shall notify in writing any buyer or successor in interest or other person acquiring the Development or any interest therein that such acquisition is subject to the requirements of this Declaration and to the requirements of 24 CFR Part 92 and other applicable regulations. This provision shall not act to waive any other restriction on sale, transfer, or exchange of the Development or any portion of the Development constituting HOME-Assisted Units. The Owner agrees that the State may void any sale, transfer, or exchange of the Development if the buyer or successor in interest or other person fails to assume in writing the requirements of this Declaration and the requirements of 24 CFR Part 92.

(i) The Owner shall not demolish any part of the Development, substantially subtract from any real or personal property of the Development, or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Declaration unless required by law or unless the State has given its prior written consent.

(j) If the Development, or any part thereof, shall be damaged, destroyed, condemned, or acquired for public use, the Owner will use its best efforts, subject to the rights of any mortgagee, 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 Declaration.

(k) The Owner has not and will not execute any other declaration with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.



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

The determination of whether a tenant meets the income requirement for HOME-Assisted Units shall be made by the Owner or his designated agent at least annually on the basis of the current income of said tenant, not to exceed 80% of area median income, as determined by HUD. The Owner represents, warrants, and covenants throughout the term of this Declaration and in order to satisfy the requirements of 24 CFR 92.252, that the HOME-Assisted Units shall meet the following requirements:

a. *Rental Limits.*

(i) The three (3) HOME-Assisted Units in the Development, consisting of one bedroom units to be acquired, rehabilitated, constructed or any combination thereof will bear a maximum rent that is the **lesser** of the fair market rent for existing housing for comparable units in the Hartford, Connecticut, area as established by HUD under 24 CFR, Part 888.111 or the Low HOME Rent which is defined as a rent that does not exceed thirty percent (30%) of adjusted income of a family whose annual income equals fifty percent (50%) of the area median income, as determined by HUD, with adjustments for number of bedrooms in the unit, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant.

(ii) The eight (8) HOME-Assisted Units in the Development, consisting of two bedroom units to be acquired, rehabilitated, constructed or any combination thereof will bear a maximum rent that is the **lesser** of the fair market rent for existing housing for comparable units in the Hartford, Connecticut, area as established by HUD under 24 CFR, Part 888.111 or the High HOME Rent which is defined as a rent that does not exceed thirty percent (30%) of adjusted income of a family whose annual income equals sixty percent (60%) of the area median income, as determined by HUD, with adjustments for number of bedrooms in the unit, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant.

b. *Initial Rents.* Threshold rents are calculated by adding base rent plus utility allowance for utilities (excluding telephone) paid by the tenant. HUD amends these rent limits periodically. As of February 2008, the rent limit per month will be as follows:

	<u>One Bedroom</u>	<u>Two Bedroom</u>
Low HOME Rental Limit	\$760.00	\$ 912.00
High HOME Rental Limit	\$806.00	\$ 985.00

c. *Rent Increases.* When HUD provides the State with amended HOME rent limits, the State shall forward such information to the Owner. The Owner shall not adjust rents except in accordance with 24 CFR 92.252 and existing leases.



Owner shall provide tenants a minimum of thirty (30) days prior written notice before implementing a rent increase.

d. *Income Limits.* The HOME-Assisted Units shall be occupied by income-eligible tenants at all times during the Affordability Period: (1) for Developments with five (5) or more HOME-Assisted Units, (a) not less than twenty percent (20%) of such units shall be occupied by Very-Low-Income Families, and (b) not less than ninety percent (90%) of such units shall be occupied by Lower-Income Families; and (c) the remainder of the units shall be occupied by Low-Income Families; and (2) for Developments with less than five (5) HOME-Assisted Units, (a) not less than ninety percent (90%) of such units shall be occupied by Lower-Income-Families, and (b) the remainder of the units shall be occupied by Low-Income Families.

e. *Number of Units Applicable to Tenant Income Requirements.* All three (3) of the one bedroom HOME-Assisted Units will provide housing for tenants with incomes at or below fifty percent (50%) of median income and rental charges including utilities shall not exceed the Low HOME Rent and all eight (8) of the two bedroom HOME-Assisted Units will provide housing for tenants with incomes at or below sixty percent (60%) of median income and rental charges including utilities shall not exceed the High HOME Rent.

## **Section 5 - Term of Declaration**

(a) This Declaration, and the term of affordability specified herein (the "**Affordability Period**"), applies to the Development immediately upon recordation of this Declaration, and the Owner shall comply with all restrictive covenants herein not later than the date that the Project completion data is entered into HUD's I.D.I.S. information system following the Project Completion Date (as said term is defined in the Assistance Agreement). This Declaration shall terminate twenty (20) years after the date of its recording. Notwithstanding this stated term limit, the duration of this Declaration also shall extend for twenty (20) years following the date (1) any new construction at the Development is certified for occupancy, or (2) any rehabilitation activity at the Development is approved in writing by a local building inspector after final inspection. The Owner shall cooperate with the Commissioner in executing and filing any documents necessary to effectuate such an extension. Further, if the Development is not completed by June 1, 2010, the Owner shall cooperate with the Commissioner in executing and filing any documents necessary to extend the term of these covenants for a period ending twenty (20) years following the actual date the Development is completed.

(b) Pursuant to 24 CFR, Part 92.252, as amended, this Declaration and the term of affordability shall remain in effect for not less than the Affordability Period described in section 5 (a) above without regard to the term of any mortgage or other underlying security and without regard to any transfer of ownership, except that the affordability restrictions may be terminated upon foreclosure by a lender who has been approved by the State or other transfer of title to such approved lender in lieu of foreclosure. In the event such lender, its successors or assigns, lawfully acquire title to



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the Development through foreclosure or deed in lieu of foreclosure, neither the lender nor any subsequent purchaser of the Development following such foreclosure or deed in lieu of foreclosure shall be deemed a "successor or assign" of the Owner, and neither the lender nor such subsequent purchaser shall have any obligation to repay the financial assistance to the State and all conditions and restrictions contained herein shall terminate on the date, if any, that the Development is so acquired by foreclosure or deed in lieu of foreclosure. However, if at any time following such a transfer by foreclosure or transfer in lieu of foreclosure, but still during the term of the Affordability Period, the owner of record prior to the foreclosure or transfer in lieu of foreclosure, or any newly formed entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Development, the Affordability Period shall be revived according to its original term.

**Section 6 - Enforcement Of Restrictions**

(a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the State, to inspect any books and records of the Owner regarding the Development with respect to the incomes of tenants of HOME-Assisted Units which pertain to compliance with the restrictions specified in this Declaration.

(b) The Owner shall submit any other information, documents, or certifications requested by the State which the State shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of the restrictions specified in this Declaration.

(c) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the State and all persons interested in Development compliance under 24 CFR Part 92 and other applicable regulations. The Owner further agrees to submit annual certifications and other reports to the State confirming that the Development is in compliance with 24 CFR Part 92 and the restrictions specified in this Declaration.

(d) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of 24 CFR Part 92 and other applicable regulations of this Declaration. Moreover, the Owner covenants to take any lawful action (including amendment of this Declaration 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 HUD from time to time pertaining to the Owner's obligations under 24 CFR Part 92 and affecting the Development.

(e) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Declaration is to assure compliance of the Development and the Owner with 24 CFR Part 92 and other applicable regulations, and by reason thereof, the Owner in consideration for receiving HOME Funds for this Development, hereby agrees and consents that the State and any



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tenant who meets the income limitations applicable under 24 CFR Part 92 (whether prospective, present or former occupant) shall be entitled, for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Owner of its obligations under this Declaration in a court of competent jurisdiction. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(f) The Owner agrees to take any and all actions reasonably required by the State to substantiate the Owner's compliance with the occupancy restrictions of 24 CFR Part 92 as now constituted or subsequently amended.

(g) This Declaration shall be deemed a contract enforceable by one or more tenants of the Development as third-party beneficiaries of this Declaration and the Assistance Agreement. In the event the Owner fails to satisfy the requirements of this Declaration or the Assistance Agreement and legal costs are incurred by the State, one or more of the tenants of the Development, or beneficiaries, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from the Owner.

### Section 7 - Record Keeping

(a) During the term of this Declaration, the Owner shall maintain and make available to the State any and all records, documents, and policies necessary which demonstrate compliance with 24 CFR Part 92.

(b) The Owner shall maintain all records as required by 24 CFR 92.508 as applicable and shall take any and all actions reasonably required by the State to substantiate the Owner's compliance. This Declaration and the Assistance Agreement of which it is a part may be enforced by the State or its designee in the event the Owner fails to satisfy any of the requirements herein.

### Section 8 - Miscellaneous

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

(b) **Notices.** All notices to be given pursuant to this Declaration 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.



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**If to State:**

Department of Economic and Community Development  
505 Hudson Street  
Hartford, Connecticut 06106-7106  
Attn: Commissioner of Economic and Community Development

**With a copy to:**

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

**If to Owner:**

Kelly Road Associates Limited Partnership  
c/o The Metro Realty Group, Ltd.  
6 Executive Drive, Suite 100  
Farmington, Connecticut 06032  
Attn: Geoffrey W. Sager

**With a copy to:**

Rogin, Nassau, Caplan, Lassman & Hirtle, LLC  
Cityplace I, 22<sup>nd</sup> Floor  
185 Asylum Street  
Hartford, Connecticut 06103-3460  
Attn: Randy Kabakoff, Esq.

and

FNBC Leasing Corporation  
c/o J P Morgan Capital Corporation  
21 S. Clark Street, 12 Floor  
Chicago, Illinois 60603

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

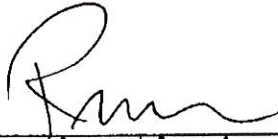
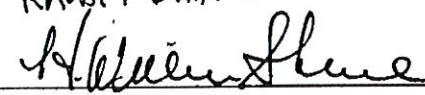
(c) **Amendment.** The Owner agrees that it will take all actions necessary to effect amendment of this Declaration as may be necessary to comply with 24 CFR Part 92, and any and all applicable rules, regulations, policies, procedures, rulings, or other official statements pertaining to the HOME assistance. The State, together with Owner, may execute and record any amendment or modification to this Declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.

(d) **Governing Law.** This Declaration shall be governed by the laws of the State of Connecticut and, where applicable, the laws of the United States of America.

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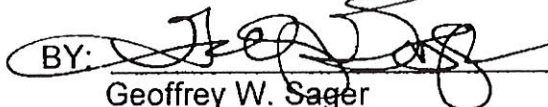
IN WITNESS WHEREOF, the Owner hereto has set its hand and seal the day and year first written above.

Signed, Sealed and Delivered  
in the presence of:

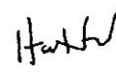
  
\_\_\_\_\_  
R. P. KARAS  
  
\_\_\_\_\_  
H. WILLIAM SHORE

**KELLY ROAD ASSOCIATES LIMITED  
PARTNERSHIP**

By: KELLY ROAD GP, LLC  
Its General Partner

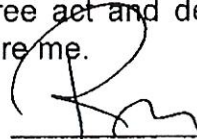
BY:   
\_\_\_\_\_  
Geoffrey W. Sager  
Its Manager

Date: 12.03.08

STATE OF CONNECTICUT )  
COUNTY OF HARTFORD ) ss. 

December 3, 2008

On this the 3<sup>rd</sup> day of December, 2008, before me, the undersigned officer, personally appeared **GEOFFREY W. SAGER**, the duly authorized Manager of **KELLY ROAD GP, LLC**, the General Partner of **KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP** signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed and the free act and deed of said **KELLY ROAD ASSOCIATES LIMITED PARTNERSHIP**, before me.

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



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**SCHEDULE A**

Being that certain parcel of land in the Town of South Windsor, County of Hartford, State of Connecticut, shown as "N/F Kelly Road Associates Limited Partnership Lot #1" on a plan entitled: "ALTA/ACSM SURVEY, Prepared for: Kelly Road Associates Limited Partnership, 25 Gerber Road East, South Windsor, Connecticut, Date: 10-23-2008, Revisions 11/06/08, 11/25/08, 12/1/08, Scale 1" = 50', Design Professionals Inc." being more particularly bounded and described as follows:

Beginning at a monument on the southerly right-of-way line of Kelly Road;

Thence in an easterly direction along the southerly right-of-way line of Kelly Road, on a curve to the left having a central angle of  $17^{\circ}54'48''$ , a radius of 772.00 feet, and an arc length of 241.36 feet to a point;

Thence  $N89^{\circ}04'07''E$  along the southerly right-of-way line of Kelly Road, 213.61 feet to a point;

Thence  $S89^{\circ}27'46''E$  along the southerly right-of-way line of Kelly Road, 186.72 feet to a point;

Thence  $S43^{\circ}28'59''E$  along the westerly right-of-way line of Gerber Road East, 44.32 feet to a point;

Thence  $S11^{\circ}18'50''W$  along the westerly right-of-way line of Gerber Road East, 662.41 feet to a point;

Thence  $N81^{\circ}34'14''W$  along the northerly property line of land now or formerly Gerber Scientific Inc., 445.80 feet to a point on the easterly property line of land now or formerly Gerb (CT) QRS 14-73 Inc.;

Thence  $N18^{\circ}31'18''E$  along the easterly property line of Gerb (CT) QRS 14-73, Inc., 219.29 feet to a point;

Thence  $N70^{\circ}52'40''W$  along the northerly property line of Gerb (CT) QRS 14-73, Inc., 391.88 feet to a point on the easterly right-of-way line of Gerber Road West;

Thence  $N19^{\circ}07'20''E$  along the easterly right-of-way line of Gerber Road West, 364.73 feet to a point on the southerly right-of-way line of Kelly Road;

Thence  $S68^{\circ}31'50''E$  along the southerly right-of-way line of Kelly Road, 89.45 feet to the point and place of beginning.

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**SCHEDULE B  
HOME ASSISTED UNITS**

**HILLCREST**  
25 Gerber Road East, South Windsor, CT 06074  
DECD Project Number: HM 0813201  
HOME Assisted Units

<u>Building #</u>	<u>Unit #</u>	<u>Bedroom Size</u>	<u>High/Low HOME</u>
Building # 1	7	Two Bedroom	High HOME
Building # 1	8	Two Bedroom	High HOME
Building # 1	10	One Bedroom	Low HOME
Building # 2	18	Two Bedroom	High HOME
Building # 2	19	Two Bedroom	High HOME
Building # 2	21	One Bedroom	Low HOME
Building # 3	51	Two Bedroom	High HOME
Building # 3	52	Two Bedroom	High HOME
Building # 3	54	One Bedroom	Low HOME
Building # 4	70	Two Bedroom	High HOME
Building # 4	71	Two Bedroom	High HOME

Summary

High HOME - 8 Units  
Low HOME - 3 Units



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**SCHEDULE C**

**Subject to:**

1. Sanitary Sewer Caveat by Town of South Windsor dated April 30, 1971 and recorded April 30, 1971 in Volume 136 at Page 285 of the South Windsor Land Records.
2. Sanitary Sewer Caveat by Town of South Windsor dated May 4, 1971 and recorded May 4, 1971 in Volume 137 at Page 2 of the South Windsor Land Records.
3. Easement from Gerber Scientific, Inc. to The Southern New England Telephone Company dated May 29, 1980 and recorded June 3, 1980 in Volume 281 at Page 291 of the South Windsor Land Records.
4. Relocatable easement for parking declared in a Quit Claim Deed from Gerber Scientific, Inc. to itself dated July 24, 2001 and recorded July 27, 2001 in Volume 1233 at Page 154 of the South Windsor Land Records, said Parking easement is further set forth in a Warranty Deed from Gerber Scientific, Inc. to GERB (CT) QRS 14-73, Inc. dated July 13, 2001 and recorded August 3, 2001 in Volume 1236 at Page 96 of the South Windsor Land Records and in a Notice of Lease from GERB (CT) QRS 14-73, Inc. to Gerber Scientific, Inc. and Gerber Coburn Optical, Inc., Gerber Technology, Inc. and Gerber Scientific Products, Inc. dated July 13, 2001 and recorded August 3, 2001 in Volume 1236 at Page 103 of the South Windsor Land Records.
5. Special Exception granted by the South Windsor Planning & Zoning Commission dated December 14, 2007 and recorded in Volume 1959 at Page 1 of the South Windsor Land Records, as revised by Revised Special Exception recorded February 26, 2008 in Volume 1962 at Page 71 of the South Windsor Land Records.
6. The terms and conditions of a Sanitary Sewer Easement from GERB (CT) QRS 14-73, Inc. to Gerber Scientific, Inc. which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 50 of the South Windsor Land Records. (Affects appurtenant rights only)
7. Reservation regarding the maintenance, redesign, repair and replacement of certain signs as set forth in a Limited Warranty Deed from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership dated and recorded April 10, 2008 in Volume 1972 at Page 59 of the South Windsor Land Records.
8. The terms and conditions of a Grading, Sloping and Planting Easement from GERB (CT) QRS 14-73, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 63 of the South Windsor Land Records. (Affects appurtenant rights only)

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9. The terms and conditions of a Drainage Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 74 of the South Windsor Land Records. (Affects appurtenant rights only)
10. The terms and conditions of a Grading, Sloping and Planting Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 78 of the South Windsor Land Records. (Affects appurtenant rights only)
11. The terms and conditions of a Sanitary Sewer Easement from Gerber Scientific, Inc. to Kelly Road Associates Limited Partnership which is dated April 10, 2008 and recorded on April 10, 2008 in Volume 1972 at Page 82 of the South Windsor Land Records. (Affects appurtenant rights only)
12. Extended Low-Income Housing Commitment between Kelly Road Associates Limited Partnership and Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume 1972 at Page 100 in the South Windsor Land Records.
13. Declaration and Agreement of Restrictive Covenants by and between Kelly Road Associates Limited Partnership and Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume 1972 at Page 101 in the South Windsor Land Records.
14. Open-End Mortgage Deed in the amount of \$5,990,000.00 from Kelly Road Associates Limited Partnership to Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume 1972 at Page 102 in the South Windsor Land Records.
15. Covenant of Compliance and Regulatory Agreement by and between Kelly Road Associates Limited Partnership and Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume 1972 at Page 103 of the South Windsor Land Records.
18. Building Loan Agreement by and between Kelly Road Associates Limited Partnership and Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume 1972 at Page 104 of the South Windsor Land Records.
19. Collateral Assignment of Leases and Rentals by and between Kelly Road Associates Limited Partnership and Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume 1972 at Page 105 of the South Windsor Land Records.



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21. Security Agreement by and between Kelly Road Associates Limited Partnership and Connecticut Housing Finance Authority dated December 17, 2008, and recorded on December 17, 2008 in Volume at Page of the South Windsor Land Records. 17

RECEIVED FOR RECORD 12-18-08  
AT 2:40 PM  
RECORDED IN SOUTH WINDSOR, CT  
BY hau' A Trahan ant  
TOWN CLERK





As of Date: 12-31-2018

Property: HILLCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Brms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual (A) / Intended (I) Move-In Date	Intended (Original) Lease End
1	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			1,300.00		15,600.00	HC-01-	05-15-2016 A	04-30-2019
2	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			850.00		10,200.00	HILL-2-	11-01-2013 A	10-31-2019
3	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			908.00		10,896.00	HILL-3-	07-16-2013 A	06-30-2019
4	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,059.00		12,708.00	HILL-04	03-01-2012 A	02-28-2020
5	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,095.00		13,140.00	HILL-5-	04-01-2017 A	03-31-2020
6	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			692.00		8,304.00	HILL-06-	11-24-2009 A	10-31-2019
7	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,055.00		12,660.00	HILL-07-	03-01-2018 A	02-29-2020
8	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,015.00		12,180.00	HILL-8-	02-01-2010 A	01-31-2020
9	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			692.00		8,304.00	HILL-9-	11-24-2009 A	10-31-2019
10	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			286.00		3,432.00	HILL-10-	11-24-2009 A	10-31-2019
11	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			692.00		8,304.00	HILL-11-	11-24-2009 A	10-31-2019
12	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			1,260.00		15,120.00	HC-12-	09-01-2012 A	08-31-2019
13	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			908.00		10,896.00	HC-13-	06-01-2013 A	05-31-2019
14	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			908.00		10,896.00	HILL-14-	03-15-2010 A	02-29-2020

As of Date: 12-31-2018

Property: HILLCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Bdrms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual (A) / Intended (Original) Move-In Date	Intended (Original) Lease End
15	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-15-	06-01-2017 A	05-31-2019
16	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-16-	05-01-2014 A	04-30-2019
17	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			736.00		8,832.00	HILL-17-	11-01-2018 A	10-31-2019
18	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,007.00		12,084.00	HILL-18-	02-15-2010 A	01-31-2020
19	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,027.00		12,324.00	HILL-19-	09-09-2017 A	09-08-2019
20	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			280.00		3,360.00	HILL-20-	03-01-2010 A	02-29-2020
21	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			286.00		3,432.00	HILL-21-	12-15-2009 A	11-30-2019
22	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			692.00		8,304.00	HILL-22-	10-01-2015 A	09-30-2019
23	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,575.00		18,900.00	HILL-23-	11-01-2014 A	10-31-2019
24	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HC-24-	10-01-2016 A	09-30-2019
25	62+ FUTURE TENANT ID:	VACANT		2.0		1,084.00			13,008.00	HC-25-	01-15-2019 I	01-14-2020
26	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-26-	04-01-2018 A	03-31-2020
27	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,074.00		12,888.00	HILL-27-	05-15-2010 A	04-30-2019



As of Date: 12-31-2018

Property: HILLCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Bdrms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual (A) / Intended (I) Move-In Date	Intended (Original) Lease End
28	62+	VACANT	12-01-2018	2.0		1,600.00			19,200.00			
29	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-29-	06-15-2010 A	05-31-2019
30	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HC-30-	07-20-2017 A	07-31-2019
31	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,075.00		12,900.00	HILL-31	12-28-2017 A	12-31-2019
32	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-32-	08-01-2018 A	07-31-2019
33	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-33-	09-01-2018 A	08-31-2019
34	62+ VACANT		12-01-2018	2.0		1,600.00			19,200.00			
35	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HC-35-	12-15-2018 A	12-14-2019
36	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-36-	09-01-2015 A	08-31-2019
37	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,054.00		12,648.00	HILL-37-	02-01-2010 A	01-31-2020
38	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-38-	12-18-2009 A	11-30-2019
39	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-39-	12-01-2009 A	11-30-2019
40	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-40-	12-15-2009 A	11-30-2019
41	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-41-	04-01-2017 A	03-31-2020

## Summarized Residential Rent Roll

12-31-2018 Page 4  
 System Date: 01-21-2019  
 System Time: 2:58 pm

As of Date: 12-31-2018

Property: HILCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Edrms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual(A)/ Intended (I) Move-In Date	Intended (Original) Lease End
42	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,054.00	250.00-	12,648.00	HILL-42-	02-01-2010 A	01-31-2019
43	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,067.00		12,804.00	HILL-43-	11-24-2009 A	10-31-2019
44	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HC-44-	08-15-2016 A	08-31-2019
45	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			1,310.00		15,720.00	HILL-45-	03-01-2017 A	02-29-2020
46	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			908.00		10,896.00	HC-46-	08-01-2015 A	07-31-2019
47	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			908.00		10,896.00	HILL-47-	05-15-2010 A	04-30-2019
48	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-48-	10-01-2013 A	09-30-2019
49	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,054.00		12,648.00	HILL-49-	12-24-2013 A	12-31-2019
50	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			908.00		10,896.00	HILL-50-	02-15-2010 A	01-31-2020
51	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,027.00		12,324.00	HILL-51-	09-01-2017 A	08-31-2019
52	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,045.00		12,540.00	HILL-52-	03-25-2010 A	02-28-2020
53	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			692.00		8,304.00	HC-53-	08-01-2015 A	07-31-2019
54	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			271.00		3,252.00	HILL-54-	02-01-2010 A	01-31-2020



As of Date: 12-31-2018

Property: HILCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Bdrms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual(A) / Intended (I) Move-In Date	Intended (Original) Lease End
55	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			679.00		8,148.00	HC-55-	05-09-2013 A	04-30-2019
56	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,565.00		18,780.00	HILL-56-	06-15-2010 A	05-31-2019
57	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-57-	03-01-2010 A	02-28-2020
58	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-58-	09-15-2010 A	08-31-2019
59	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,590.00		19,080.00	HILL-59-	03-15-2011 A	03-31-2020
60	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,550.00		18,600.00	HILL-60-	02-01-2011 A	01-31-2020
61	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-61-	11-01-2014 A	10-31-2019
62	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-62-	10-15-2017 A	10-14-2019
63	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-63-	09-22-2010 A	08-31-2019
64	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-64-	06-01-2017 A	05-31-2019
65	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-65-	12-15-2017 A	12-14-2019
66	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-66-	05-06-2017 A	04-30-2019
67	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			736.00		8,832.00	HILL-67-	12-01-2017 A	11-30-2019
68	62+ PRIMARY TENANT ID:	OCCUPIED	N/A	1.0			692.00		8,304.00	HILL-68-	05-01-2010 A	04-30-2019

## Summarized Residential Rent Roll

12-31-2016 Page 6  
System Date: 01-21-2019  
System Time: 2:58 pm

As of Date: 12-31-2018

Property: HILLCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Bdrms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual(A)/ Intended (I) Move-In Date	Intended (Original) Lease End
69	62+	OCCUPIED	N/A	1.0			736.00		8,832.00	HILL-69-	10-01-2016	A 09-30-2019
70	62+	OCCUPIED	N/A	2.0			1,045.00		12,540.00	HILL-70-	03-01-2016	A 02-28-2020
71	62+	OCCUPIED	N/A	2.0			1,045.00		12,540.00	HILL-71-	04-01-2017	A 03-31-2020
72	62+	OCCUPIED	N/A	1.0			875.00		10,500.00	HILL-72-	08-01-2010	A 07-31-2019
73	62+	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-73-	03-31-2011	A 03-31-2020
74	62+	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-74-	04-01-2018	A 03-31-2020
75	62+	OCCUPIED	N/A	1.0			908.00		10,896.00	HILL-75-	06-15-2015	A 06-14-2019
76	62+	OCCUPIED	N/A	1.0			908.00		10,896.00	HILL-76-	06-15-2010	A 05-31-2019
77	62+	OCCUPIED	N/A	1.0			1,310.00		15,720.00	HILL-77-	11-18-2016	A 10-31-2019
78	62+	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-78-	10-01-2010	A 09-30-2018
79	62+	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-79-	08-15-2010	A 07-31-2019
80	62+	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HC-80-	08-01-2015	A 07-31-2019
81	62+	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-81-	11-01-2017	A 10-31-2019



As of Date: 12-31-2018

Property: HILLCREST Kelly Road Associates LP

Unit	Class	Status	Date Available	# of Bdrms	# of Baths	Previous Rent (Vacant Units)	Monthly Rent	Other Mthly Charges	Annual Rent	Lease ID	Actual(A)/ Intended(I) Move-In Date	Intended (Original) Lease End
82	62+	OCCUPIED	N/A	2.0			1,098.00		13,176.00	HC-82-	07-10-2017	A 07-09-2019
	PRIMARY TENANT ID:											
83	62+	OCCUPIED	N/A	2.0			1,084.00		13,008.00	HILL-83-	12-08-2010	A 11-30-2019
	PRIMARY TENANT ID:											
84	62+	OCCUPIED	N/A	2.0			1,055.00		12,660.00	HILL-84-	02-15-2017	A 01-31-2020
	PRIMARY TENANT ID:											
85	62+	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-85-	10-15-2016	A 09-30-2018
	PRIMARY TENANT ID:											
86	62+	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-86-	04-01-2018	A 03-31-2020
	PRIMARY TENANT ID:											
87	62+	OCCUPIED	N/A	2.0			1,090.00		13,080.00	HILL-87-	07-15-2018	A 07-14-2019
	PRIMARY TENANT ID:											
88	62+	OCCUPIED	N/A	2.0			1,600.00		19,200.00	HILL-88-	03-01-2013	A 02-28-2020
	PRIMARY TENANT ID:											

## Property HILLCREST Summary Totals:

Total Previous Rent For Vacant Units:	4,284.00
Total Monthly Rent For Occupied Units:	91,742.00
Total Other Monthly Charges For Occupied Units:	250.00-
Total Annual Rent For All Units:	1,152,312.00
Total # of Occupied Units:	85
Total # of Vacant Units:	3
Total # of Units:	88
Occupied Unit Pct:	96.6 %





- k. The area shall be landscaped to harmonize with the character of the neighborhood. The land shall be so maintained that it will not create a nuisance as determined by the Planning and Zoning Commission. Any manure storage area shall be screened. Particular attention shall be paid to the location of any manure storage. Adequate fly control measures shall be required.
- l. There shall be no external floodlighting which transmits outside of the property where it originates. All provisions of Section 13.7.3 shall be followed.
- m. A bond shall be posted to guarantee the cost of construction and improvements required under this section.
- n. Impervious coverage limited to 20%.

4.1.11 **Housing for the Elderly:** The purpose of this special use is to provide housing particularly suited to the needs of the elderly citizens; such use to be located in reasonable proximity to such shopping and services as are required by elderly persons; such use to be designed to provide a pleasant environment for habitation; and such use shall be in conformity with the general framework and intent of the Town Plan of Conservation and Development for South Windsor.

- 1. Procedure: Application for this use may be filed only by the Public Housing Authority of South Windsor individually or in conjunction with a proprietary entity.
  - a. The Commission shall be guided by the requirements of this section where reporting on the mandatory referral for acquisition of the housing sites under the General Statutes of Connecticut.
  - b. The Public Housing Authority individually or in conjunction with such proprietary entity, shall submit to the Commission a site development plan in accordance with Section 4.13 of these regulations and such plan must be approved prior to the issuance of a building permit.
- 2. General Requirements:
  - a. Location. The site shall be on Town-owned property or on premises approved by the Public Housing Authority with restrictive covenants guaranteeing appearance and property maintenance approved by the Public Housing Authority and the Commission. The covenant must be filed on the land records and must be in effect as long as the property is zoned for elderly housing.
  - b. Area and Density Requirements
    - 1. A minimum size of 2 acres is required.
    - 2. Maximum density for a development shall be 10 units/acre multiplied by the net buildable acreage of the parcel. All calculations of proposed density must appear on the Site Plan of Development, and are arrived at by multiplying the requested density by the net buildable acreage (see Section I, Definitions).
  - c. Project/Units Cap.

The maximum number of units in any development shall be 102 units. The Commission may grant a waiver to increase the number of units in a development up to 200 units after finding:

1. Traffic impact will not be detrimental to surrounding areas;
2. The site is appropriate for a larger development; and
3. The increase will not create adverse impacts on surrounding property values.

The cumulative total number of units in all developments cannot exceed 350 units.

d. Yard, Frontage and Buffer Requirements.

The site shall have a minimum of 200 feet of frontage on a public street. The minimum frontage requirement may be reduced by one foot for every 2 feet by which the development's front yard setback is increased; provided, however, that the frontage is not reduced to less than 100 feet. Where the increased setback/reduced frontage provision is used, no pavement/parking areas/impervious areas shall be allowed within the additional setback area.

Minimum yards (applicable to the parcel perimeter) shall be fifty (50) feet front yard, and ten (10) feet side and rear yards. Required buffers may at the discretion of the Commission be coterminous with the yards, provided the combined yards and buffer are no less than 25 feet in width, site conditions support such (e.g., site is contiguous to open space, permanent buffers and/or mature vegetation), and large trees are saved or planted within the buffer (6" minimum caliper on deciduous trees, 15 feet minimum height on coniferous trees, spaced no more than every 30 feet, or at a somewhat greater distance if more appropriate given the species). Buffers may contain separations between trees in order to preserve vistas for unit occupants, where applicable. Minimum setback between dwellings shall be 20 feet.

Minimum setbacks between accessory buildings (such as storage sheds or garages) and buildings containing dwelling units shall be consistent with good design relative to fire safety, emergency access, function, and aesthetics, as approved by the Commission. The setbacks shall vary depending upon the height of the buildings and the placement of windows on the side of the buildings in question.

- e. Building size. In calculating space requirements for elderly occupancy, the following areas shall be considered minimum:

<b>Occupancy (persons)</b>	1	2	2 or more***
<b>Description</b>	Efficiency	1 BR	2 BR
<b>Room Count*</b>	3	3 ½	4 ½
<b>Area Square Feet**</b>	350	460	570

\*Room count for living, dining and kitchen is 2 ½.

\*\*These areas do not include circulation and public facilities outside the unit or spaces for heating equipment. Storage areas are calculated as a part of the minimum area requirement.

\*\*\*Special occupancy, covering situations such as two single related persons, two-person families whose physical condition requires separate sleeping accommodations, and single persons requiring sleep-in companions or care assistants.



f. Parking and Access.

1. At least 1 parking space for each 4 dwelling units shall be provided, however, at the discretion of the Planning and Zoning Commission, this may be increased up to 1 parking space for each dwelling unit.
2. The location and arrangement of access shall be consistent with public safety and shall provide no undue hindrance to the safety of existing or proposed streets.

g. Improvements.

1. Utilities, streets and related improvements shall generally conform to Town procedures and standards; however, 24 feet pavement width is acceptable, and other standards may be reduced or waived in order to reduce development costs, provided there is no objection of the Town Engineer. All utilities shall be underground. All dumpsters must be on concrete pads and screened.
2. Sidewalks. Sidewalks shall be provided for internal circulation within the project and connection to the street frontage. Sidewalks shall be constructed to the specifications of the Town of South Windsor.

h. Recreation. Recreation area or areas shall be provided for the use of the residents. The recreation area or areas shall be designed for the special needs of elderly persons. Such uses as walking trails, sitting areas and a community room are examples of recreation areas.

i. Signage must conform to the requirements of Section 17, Signs.

j. Impervious coverage limited to 40%.

4.1.12 Senior Residence Development (SRD)

- a. Purpose. The purpose of this section is to ensure an adequate supply of senior housing in South Windsor; to promote well-planned, innovative developments which become aesthetically pleasing senior residential environments; to recognize that not all of the housing needs of our community's elderly population can be met through public elderly housing; to provide for a greater variety of housing for South Windsor's senior residents; and to foster small senior developments which can be nestled into neighborhoods with minimal impact on surrounding properties.

- b. Permitted Uses. Within the Senior Residence Development, the following uses of buildings and land shall be allowed by special exception, subject to the requirements of these regulations.

The only permitted uses shall be single-family, duplex and multi-family senior residence dwellings, as well as accessory uses (e.g., garages and community rooms), as determined and approved by the Commission and which are intended and designed for the maintenance and/or operation of the Senior Residence Development and/or the use of its residents.

- c. Application Consideration. Upon application of the owner of the land or the owner's duly authorized agent, the Commission may, in appropriate cases and subject to appropriate modifications and safeguards prescribed by it, grant a Special Exception/Site Development Plan approval for a Senior Residence Development (SRD) of single-family detached and multi-family attached senior residences in the Rural Residential District, subject to the

