



PROMISSORY NOTE

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Rocky Hill, Connecticut

FOR VALUE RECEIVED, the undersigned, [MORTGAGOR] ("Maker"), a _____ [INSERT WHEN CORP. MATERIALS COME IN], organized and existing under the laws of the State of Connecticut with an office and principal place of business at _____, promises to pay to CONNECTICUT HOUSING FINANCE AUTHORITY ("Authority" or "holder"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut, or order, at its office in Rocky Hill, Connecticut, or at such other place as the holder hereof may designate in writing, the principal sum of [MORTGAGE AMOUNT] AND 00/100THS (\$.00) DOLLARS, together with interest thereon from the date hereof, payable monthly in arrears, on so much thereof as may be advanced and remain unpaid, at a per annum rate of [INTEREST RATE] percent. Principal and interest shall be due and payable on a self-liquidating basis in successive monthly installments, commencing on the first (1st) day of _____, 20__ and continuing on the first (1st) day of each and every month thereafter until the said principal sum, with interest, has been fully paid except that any remaining unpaid indebtedness with interest shall be due and payable on _____, 20__. The maturity and final payment date shall be _____, 20__ ("Maturity").

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

Each payment due under this Note shall be applied by holder to the following items in the order set forth:

1. Taxes, payments in lieu of taxes, if any, assessments, sewer and water charges and other public impositions;
2. Hazard and liability insurance premiums;
3. Late charges, if any, on the Note;
4. Interest on the Note;
5. Principal on the Note; and
6. Payments to the Group Home Renewal and Replacement Fund (as set out in §1.15 of the Mortgage described below).



Maker agrees to pay all taxes or duties assessed upon said sum or this Note against the holder hereof, the debt evidenced hereby or the Mortgage securing the same and upon the property described in the mortgage securing the same, and to pay all costs, expenses and attorneys' fees incurred by the holder in any proceeding for collection of the debt evidenced hereby or any foreclosure of the Mortgage securing this Note, or in protecting or sustaining the lien of such Mortgage or any litigation or controversy arising from or connected with this Note or the Mortgage securing the same.

Authority reserves the right to collect a late charge not to exceed an amount equal to 4 percent of any installment which is not paid within fifteen (15) days of the due date thereof, for reasons other than delay in receipt of State funds. The purpose of the late charge is to cover the extra expense involved in handling such delinquent payment.

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

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

Maker agrees that all expenditures by the holder hereof on account hereof other than principal, and the principal of this Note after Maturity or in the event of an Event of Default (as defined in the Mortgage described below) that continues for more than thirty (30) days, shall bear interest at the Default Rate, which is the lesser of (i) the highest rate allowed by applicable law or (ii) three (3) percentage points in excess of the highest rate specified in this Note ("Default Rate"). Amounts under this Note shall be computed based on a 360 day year (30 day months).

In the event that at any time any payment received by the Authority hereunder shall be deemed by final order of court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the



Authority, then, in any such event, the obligation to make such payment shall survive any cancellation of this Note and/or return thereof to Maker, shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and the amount of such payment shall bear interest at the Default Rate from the date of such final order until repaid hereunder.

Maker hereby gives the holder a lien and right of setoff for all of Maker's liabilities hereunder upon and against all deposits, credits, and property of the Maker, endorsers or guarantors other than the premises mortgaged to secure this Note and any other collateral of a maker, endorser or guarantor now or hereafter in possession or control of holder or in transit to it. Upon the occurrence of an Event of Default (as defined in the Mortgage), Holder may, at any time, apply the same or any part thereof to any liability of Maker even though unmatured.

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

This Note is secured by a first mortgage deed of even date herewith ("Mortgage") on premises situated at _____ (the "Property" or the "Development").

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

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

- (i) fraud or material misrepresentation in connection with any Loan Document, affidavit, certification, warranty or representation given by Maker or any shareholder, member, general partner, or officer of Maker in connection with the making of the Loan;

- (ii) recovery of any condemnation, insurance, or similar funds or payments attributable to the Property;
- (iii) recovery of any tenant security deposits, advance or prepaid rent or other similar sums paid to, or held by, Maker or any other party in connection with the operation of the Development;
- (iv) recovery of any compensation paid, provided or owed to an affiliate or manager;
- (v) any breach or violation of representations, warranties, covenants (other than the covenant to make payments under this Note) and indemnities executed in connection with the Loan;
- (vi) material waste of any portion of the Property;
- (vii) collection of rents in advance in violation of any covenant in the Mortgage or other Loan Documents;
- (viii) failure to make payments when due on the Mortgage Loan or payments of insurance premiums, property taxes, payments in lieu of taxes, or payments of other operating or maintenance expense related to the Property when total revenues from the Property are sufficient to pay such amounts, or the failure to pay a portion of such amounts, up to the full extent of revenues from the Property; or
- (ix) intentional failure to maintain resident occupancy levels and income from the Property.

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

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

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

Executed this ____ day of _____, 2010.

[MAKER]

BY: _____