

CLOSING ESCROW LETTER

October 15, 2009

**Matts Planck
Heisenberg and Planck, PC
21 Tremont Street
Springfield, MA 02100**

Re: \$4,110,000 Loan from The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development ("Agent"), acting for itself and as agent for the following lenders: The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development; The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by its administrator Massachusetts Housing Finance Agency; the Community Economic Development Assistance Corporation; and the City of Springfield, (the "Participating Lenders"), to Franconia Apartments LLC ("Borrower")

Dear Matts:

As you know, pursuant to a Loan Agreement dated on or about the date of this letter between the Participating Lenders and the Borrower, the Participating Lenders are prepared to lend to Borrower the sum of \$4,110,000 (the "Loan") in connection with the construction of one or more buildings at the property known as and located at 365 Annum Street, Springfield, Massachusetts (the "Property") to provide thirty-six (36) units of affordable housing (the "Project"). The Loan will be secured, inter alia, by a certain Leasehold Mortgage, Security Agreement and Conditional Assignment of Leases and Rents dated on or about the date hereof granting to Participating Lenders a mortgage lien on the Property (the "Mortgage").

The purpose of this letter is to set forth the escrow terms and conditions under which the Community Economic Development Assistance Corporation and the City of Springfield (the "Funding Lenders") are willing to wire into your escrow account all or a portion of the proceeds of the Loan.

Upon receipt by the Funding Lenders of a copy of this letter signed by you and confirmation of readiness to close from us, the the Community Economic Development Assistance Corporation and the City of Springfield will deliver to you, by wire transfer, \$500,000.00 and \$500,000.00 (collectively, the "Escrow Funds"), which Escrow Funds you shall hold in escrow and disburse strictly in accordance with the terms of this letter.

You shall hold the Escrow Funds until all conditions set forth in this letter are satisfied, and you are hereby authorized and instructed as follows:

1. Upon (i) our acknowledgement that we have received and approved all of the closing deliveries set forth on Exhibit A attached hereto and made a part hereof (the "Closing Requirements") and (ii) your receipt of duly signed and acknowledged originals of all

mortgages, assignments, intercreditor and subordination agreements, surveys, surveyor's certificates, affidavits and other documents and/or certifications that you will require in connection with your issuance of a mortgagee's policy of title insurance in favor of Agent in the form of the specimen policy attached hereto as Exhibit B (the "Title Policy"), you are to examine title to the Property from the date of your last rundown. If title is clear, then at such time as you are prepared, in your capacity as agent for Stewart Guaranty Title Insurance Company Title Insurance Company, to issue the Title Policy, you are hereby authorized to record the documents listed on Exhibit C attached hereto, in the order listed (collectively, the "Record Documents") in connection with the closing of all of the loans for the Project. References in this letter to "recording" shall mean recording with the registry of deeds for the county in which the Property is located, as required for issuance of the Title Policy. Your recording of the Record Documents shall constitute your binding agreement to issue to the Agent the Title Policy with no additional exceptions or modifications whatsoever.

2. Promptly after recording the Record Documents, please fax or e-mail the recording information to us, and deliver the original Title Policy, together with date-stamped copies of the Record Documents to us within three (3) business days after the recording of the Record Documents.
3. Immediately after your recording of the Record Documents you are hereby authorized to disburse the Escrow Funds in accordance with the Disbursement Schedule attached hereto as Exhibit D, subject only to any per diem adjustment of the payoff amount of any existing loan being discharged through the date of disbursement, and you shall disburse the balance of the Escrow Funds, if any, to the Borrower for further disbursement in accordance with a requisition submitted by the Borrower to the Lender and approved by the Lender.
4. If your title examination discloses any encumbrance or any other matter of record that would prevent you from being able to issue the Title Policy, you are hereby instructed not to record the Record Documents and to contact Lender Counsel. In such case, you shall take no further action until you receive additional instructions from Lender Counsel on the Disbursing Lender's behalf.
5. If the recording of the Record Documents shall not have occurred by the close of business on October 31, 2009, you shall immediately wire the Escrow Funds back to the Lender.

The Lender shall be entitled to treat any failure by you to comply with these instructions as an event of default under the loan documents between the Borrower and the Agent.

By your signature below, the Borrower hereby agrees to the terms of this letter and consents to and authorizes the Lender, to disburse to you the Escrow Funds from the proceeds of the Loan.

Please also indicate your acceptance of the terms of this letter by signing below. After this letter is signed by you, please return the signed copy of this letter by fax directly to us. This letter may be executed in multiple counterparts, and an executed counterpart of this letter delivered by fax

or electronically by a .pdf file shall be considered legally binding. Nevertheless, please also return the original of this letter signed by you, to us. Thank you.

Sincerely,
Dewey & Lewis LLP

By: _____
Hubert Dewey

Accepted and Agreed to as of the 15th
day of October, 2009

Heisenberg and Planck, PC

By: _____
Name: Matts Planck

EXHIBIT A
OUTSTANDING CLOSING DELIVERIES

EXHIBIT B
SPECIMEN TITLE POLICY

**EXHIBIT C
RECORDING ORDER**

**EXHIBIT D
DISBURSEMENT SCHEDULE**