

Request for Endorsement of Credit Instrument & Certificate of Lender, Borrower & General Contractor

U.S. Department of Housing and Urban Development
Office of Housing

OMB Approval No. 2502-0598
(Exp. 04/30/2014)

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Project Name: WATERFORD PLACE APARTMENTS	Project Number: 023-11321
Project Address: 180-192 Shawmut Avenue, Boston, Massachusetts 02118	Date of Commitment: January 24, 2014, as amended
Lender: OAK GROVE COMMERCIAL MORTGAGE, LLC, a Delaware limited liability company	Borrower: CCBA WATERFORD PLACE, LLC, a Massachusetts limited liability company
<input type="checkbox"/> Traditional Application Processing (TAP)	<input type="checkbox"/> Insurance upon Completion under Section _____
<input checked="" type="checkbox"/> Multifamily Accelerated Processing (MAP)	<input checked="" type="checkbox"/> Refinancing under Section 207 pursuant to Section 223(f)
<input type="checkbox"/> Other	

To the U.S. Department of Housing and Urban Development (HUD):

GENERAL

The entities executing this Request for Endorsement of Credit Instrument (“**Request**”) are **OAK GROVE COMMERCIAL MORTGAGE, LLC**, a Delaware limited liability company, Lender under that certain Security Instrument dated as of July 1, 2014; and **CCBA WATERORD PLACE, LLC**, a Massachusetts limited liability company, Borrower under the Security Instrument. The parties hereto understand that the Security Instrument, the Note, this Request, and any documents submitted with this Request are considered to be consistent with and shall be interpreted consistently with HUD’s regulations as they pertain to the Contract of Insurance. The parties hereto agree to be bound by Program Obligations. (The definition of any capitalized term or word used herein can be found in this Request, the Regulatory Agreement between Borrower and HUD, the Note, and/or the Security Instrument, except that the term “**Program Obligations**” means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Request rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD's official website: (<http://www.hud.gov/offices/adm/hudclips/index.cfm> or a successor location to that site)).

I. CERTIFICATE OF LENDER

A. LENDER SUBMISSIONS & REPRESENTATIONS

1. Lender submits separately a check to HUD for **\$55,701.00** covering the first mortgage insurance premium, together with the other items called for in the Firm Commitment dated January 24, 2014, as amended, and in any extensions or amendments thereof. Lender certifies that all conditions of the Firm Commitment have been fulfilled to date, including any work done prior to endorsement of the Note that has been approved by HUD, in writing, and all HUD-imposed conditions have been met with respect to such work.
2. Lender submits separately the appropriate security agreement(s) executed by Borrower covering all of the Mortgaged Property that, under applicable law, may be subject to a security interest under the Uniform Commercial Code (“**UCC**”), whether acquired now or in the future, and all products and cash proceeds and non-cash proceeds thereof (“**UCC Collateral**”).
3. Lender submits separately a certified survey of the Mortgaged Property, if required by HUD, and a title policy as specified in Program Obligations together with evidence that the Mortgaged Property is properly zoned.
4. Lender agrees that the amount approved for disbursement by HUD shall not be released unless the current endorsement to the title policy, insuring Lender and HUD, evidences that (a) the lien of the Security Instrument is prior to all liens and encumbrances that may have attached or defects that may have arisen subsequent to the recording of the Security Instrument, except such liens or other matters approved by HUD, including tax liens not delinquent, and (b) the lien of the Security Instrument is prior to all mechanics’ and materialman’s liens filed of record subsequent to the recording of the Security Instrument, regardless of whether such liens attached prior to the recording date.
5. Lender agrees to: (a) obtain the prior written approval and/or consent of HUD in those instances required in the Security Instrument; (b) furnish HUD with all pleadings, reports and data in those instances required in the Security Instrument, including but not limited to the physical inspection report of the Mortgaged Property, except for physical inspections performed by HUD or on behalf of HUD, and financial reporting data; and (c) furnish HUD with a copy of any application by Lender for the appointment of a receiver pursuant to the Security Instrument and all related pleadings.
6. Lender agrees to furnish a copy of this Request to any successors and assigns of Lender and agrees that, in any contract for sale or assignment of the Security Instrument to a successor Lender (for purposes of servicing the Loan only), the successor Lender will agree to be bound by the provisions of this Request that relate to the servicing of the Loan.
7. To the best of our knowledge and information, any required repairs have been completed in accordance with Program Obligations, except for such items approved by HUD for delayed completion or non-critical deferred repairs as indicated on a separate schedule attached hereto as **Exhibit B**.
8. Impound accounts for taxes, insurance and mortgage insurance premiums have been established and are adequately funded.

9. Lender agrees (a) to require Borrower to keep the Mortgaged Property insured at all times against such hazards as Lender and HUD may from time to time require and as set forth in the Security Instrument, and (b) to notify HUD of any known payments made by an insurer.

10. Lender certifies that all insurance policies on the Project comply with the terms of the Security Instrument and, where applicable, that those insurance policies have attached thereto a standard mortgagee clause making the loss payable to Lender, as its interest may appear, and where applicable, Lender is shown as an additional insured. If Lender determined that any of the Improvements are located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, Lender certifies that it has collected a receipt from the insurance company providing flood insurance evidencing payment for the premium, dated N/A.

11. The term “**Financing Charge(s)**,” as used herein shall mean any charge, direct or indirect, for supplying the Loan to Borrower or servicing the Loan for HUD, Ginnie Mae, a third party investor or Lender’s own account.

12. If the Security Instrument is assigned to HUD under the Contract of Insurance, HUD shall not be bound by the requirements of this Request.

13. Lender agrees to promptly review any Borrower’s request to transfer the Project and not unreasonably withhold Lender’s approval of the transfer. If HUD approves the transfer, Lender agrees to execute a release and assumption agreement or a security instrument modification agreement incorporating any new Regulatory Agreement into the existing Security Instrument. It is understood that Lender’s consent to the transfer will in no way prejudice Lender’s rights under the Contract of Insurance with HUD.

14. Lender agrees (a) to notify HUD in writing immediately upon learning of any Violation of the Regulatory Agreement by Borrower, (b) that Violations under the terms of the Regulatory Agreement may only be treated as a default under the Security Instrument where HUD requests Lender to do so, and (c) following a Declaration of Default by HUD under the Regulatory Agreement and upon the request by HUD, Lender, at its option, may declare the entire Indebtedness to be due and payable.

B. FEES AND CHARGES BY LENDER

The charges enumerated on a separate schedule prepared by Lender are attached hereto as Exhibit A. The charges have been (i) collected in cash or will be so collected not later than the date of initial endorsement; (ii) will be disbursed from Loan proceeds; or (iii) will be collected or disbursed as otherwise set forth in Program Obligations.

C. ESCROWS AND DEPOSITS HELD BY LENDER

1. Borrower has deposited with Lender, or subject to the control and order of Lender in a depository satisfactory to Lender, in accordance with Program Obligations, the following sums required by the Firm Commitment: *(Check and complete applicable paragraphs.)*

(a) Escrow deposit guaranteeing payment for off-site facilities in the amount of \$ N/A. This deposit is in the form of _____ *(cash or letter of credit)*. The Escrow Agreement for Off-Site Facilities is dated _____, 20___, and is executed by _____.

(b) Lender has received from Borrower a working capital deposit in the form of (*cash or letter of credit*) _____ in the sum of \$ N/A, which Lender agrees to maintain and control. Funds in this deposit may be released or allocated for the purposes indicated in the Escrow Agreement for Working Capital (dated _____, 20__, and executed by _____) and for no other purpose unless Lender obtains the prior written approval of HUD.

(c) Lender has collected from Borrower in cash funds totaling 120% of the amount necessary to complete non-critical, deferred repairs described in Paragraph I.A.7, above. The Escrow Agreement of Non-critical Deferred Repairs is attached hereto as **Exhibit B**.

2. Lender submits separately: (*Check applicable paragraphs.*)

(a) Off-site bond in the amount of \$ N/A

(b) Evidence to the effect that required off-site utilities and streets will be provided by the public authorities having jurisdiction or by public utility companies serving the Project.

3. As required by the Firm Commitment: (*if required, check and complete the applicable paragraph*):

Submitted separately is the sponsor's guarantee to meet an initial operating deficit (dated _____, 20__, and executed by _____)

Escrow Agreement for Operating Deficit evidencing a (*cash, or letter of credit*) _____ deposit in the amount of \$ N/A, dated _____, 20__, and executed by _____.

4. List any other escrows: N/A.

5. Beginning with the date on which the first payment toward amortization is required to be made by the terms of the insured Loan or at such later date as may be agreed to by HUD in writing, Lender shall require a monthly deposit with Lender or in a depository satisfactory to Lender in accordance with Program Obligations of the sum required by the HUD Regulatory Agreement constituting a Reserve for Replacement, which account shall be subject to Lender's order and from which account withdrawals may be made only upon the receipt of HUD's written permission. Lender acknowledges that the amount of the monthly deposit may be increased or decreased from time to time at the direction of HUD in accordance with Program Obligations. Such funds shall at all times remain under the control of Lender or Lender's designee and shall be held in accounts insured or guaranteed by a federal agency and in accordance with Program Obligations. Notice of any failure to receive the required deposits shall be forwarded to HUD within 60 days of the date such deposits are due. (**See Exhibit A, Note 1**).

6. In cases where a Residual Receipts account is required with respect to the Loan under the Regulatory Agreement, Lender shall deposit or place in a depository satisfactory to Lender, in accordance with Program Obligations, all funds received from Borrower for deposit therein. The Residual Receipts account will be subject to the control of Lender, and withdrawals may be made only with the prior written approval of HUD. These funds shall be held in an interest-bearing account which shall be insured or guaranteed by a federal agency and in accordance with Program Obligations. Lender agrees to notify HUD in writing of any non-compliance with Program Obligations with respect to such Residual Receipts account immediately when known to Lender.

D. CERTIFICATIONS, AGREEMENTS, AND ACKNOWLEDGEMENTS

1. Lender certifies and agrees that no financing charges other than charges disclosed herein have been or shall be made. Until final endorsement for insurance by HUD, all funds collected pursuant to items (c), (d), or (e) below and not paid over to the permanent lender, plus any funds returned by the permanent lender, shall be held for the account of Borrower and shall be subject to HUD's control and direction in the event of a claim under the Contract of Insurance.

Lender further certifies and agrees that: (Check and complete the following applicable subparagraphs)

(a) Lender has not imposed and will not impose a financing charge of any kind directly or indirectly, other than the initial service charge. Lender has collected in the form of cash the amount of \$83,551.50 (**See Exhibit A, Note 2 and 3**).

(b) In addition to the initial service charge, Lender has collected in the form of (*cash or letter of credit*) _____ for the amount of \$ _____ as a discount or financing charge for the construction loan. Also, an amount of \$ _____ has been collected in the form of (*cash or letter of credit*) _____ to cover construction Loan extension fees. In an attached addendum, Lender has identified the time frames in which the extension fees must be paid.

(c) Lender intends to retain the permanent loan and has collected a permanent placement fee of \$0.00. In addition to the initial service charge and permanent placement fee, Lender has collected in the form of (*cash or letter of credit*) N/A the amount of \$N/A as a discount or financing charge for the permanent loan.

(d) Lender has a firm commitment from _____ to purchase the Loan when fully disbursed and fully insured at a financing charge or discount of _____ percent and Lender has collected in the form of (*cash or letter of credit*) _____ the amount of \$ _____ to cover said charge or discount.

(e) This Project shall be financed with (*tax-exempt or taxable*) _____ bonds. Therefore, Lender has collected in the form of (*cash or letter of credit*) _____ the amount of \$ _____ and has distributed or shall distribute from Loan proceeds the amount of \$ _____ to cover the costs of issuance. A statement is attached as Exhibit itemizing these costs with an explanation of the necessity of each cost and the source of the funds.

(f) The Loan is a unitary loan under which the Lender intends to retain the Loan for both the construction and permanent loan terms. Lender has collected a unitary loan placement fee of \$ _____. In addition to the initial service charge and the unitary loan placement fee, Lender has collected in the form of (*cash or letter of credit*) _____ the amount of \$ _____ as a discount or financing charge for the unitary loan.

(g) Additional financing charges or discount of \$ _____ are to be collected under Exhibit attached hereto for the purpose shown in (b), (c), (d), (e), or (f). (**Strike inapplicable letters**) The arrangement for the collection of additional financing charges or discount must follow Program Obligations and use forms prescribed by HUD.

(h) The Note rate includes a servicing fee payable to Lender monthly during the life of the Loan ("**Servicing Fees**"). In addition, the Lender may impose reasonable and customary administrative fees and charges (including but not limited to, reimbursements for out-of-pocket expenses) for handling and investing

the cash held in the Reserve for Replacement, the Residual Receipts account, if applicable, and any other interest-bearing escrows related to the Project and for processing, reviewing and approving other matters, as more fully set forth in Program Obligations (“**Administrative Fees**”). Borrower is entitled to earn interest on the Reserve for Replacement and Residual Receipts accounts, as more fully set forth in Program Obligations. Lender shall not invest escrow account monies in interest-bearing account unless interest earned is added to and included in the relevant escrow account, and unless the net income is paid or credited to the account of Borrower. Net income is defined as the earnings remaining after the following expenses are deducted: (i) any Servicing Fees, and (ii) any Administrative Fees.

(i) The Loan to be made to Borrower will be financed through funds being provided by a third-party investor through the issuance to the investor of permanent participation certificates pursuant to a participation agreement between Lender and the investor, with respect to which agreement Lender has agreed to repay the investor at a stated interest rate according to a fixed payment schedule.

(j) The Loan to be made to Borrower will be financed through funds being provided by a third-party investor through the issuance to the investor of construction and permanent fully-modified, pass-through, mortgage-backed securities, guaranteed as to principal and interest by Ginnie Mae.

2. Lender certifies and agrees that, except for (a) Loan advances made in accordance with Program Obligations, (b) notes executed pursuant to D.1(g) above, or (c) Lender advances made pursuant to the Security Instrument, Lender does not have outstanding and shall not make loans or advances to Borrower, any of the sponsors, the general contractor, or the architect for any purpose connected directly or indirectly with this Project without prior written approval of HUD and that Lender has not made or offered, and shall not make or offer, any guarantees, pledges, reservations of sums to become due or other inducements to any entity or person to make loans or advances which Lender would be prohibited from making under the terms of this paragraph.

3. Lender certifies that Lender has not made and shall not make payment of any kickback or fee or other consideration, directly or indirectly, to any person who has received payment or other consideration from any other person in connection with this Loan transaction, including the purchase or sale of the Mortgaged Property, except for compensation paid or to be paid, if any, for the actual performance of services and approved by HUD.

4. Lender certifies that in any case where a letter of credit has been accepted instead of cash, (a) such unconditional and irrevocable letter of credit is in accordance with Program Obligations and has been issued by (1) another banking institution; or (2) Lender, subject to receiving HUD’s written permission prior to initial endorsement; and (b) Lender has not made and shall not make any inducements as described in Section D.2 above to procure issuance of letters of credit. Lender also agrees that if demand under the letter of credit is not immediately met, Lender shall forthwith provide cash equivalent to the undrawn balance thereunder without recourse to Borrower and without regard to Lender’s ability to recover such amount from any other entity or person who securitized the letter of credit.

5. (a) For Loans funded with the proceeds of state or local bonds, Ginnie Mae mortgage-backed securities, or other bond obligations as defined by HUD, any of which contain a prepayment lock-out and/or prepayment premium provision, Lender agrees, in the event of a default during the term of the prepayment lock-out and/or prepayment premium (i.e., prior to the date on which prepayments may be made with a prepayment premium of one percent or less), to follow those procedures set forth in Program Obligations.

(b) After commencement of amortization, Lender agrees to notify HUD of the delinquency when a payment is not received by the fifteenth (15th) day of the month in which it is due.

6. (a) Lender certifies to HUD that the following are the only identities of interest, as defined in Program Obligations, between Lender and Borrower, any Principal of Borrower, Contractor, any subcontractor, or the seller of the land:

NONE

(b) Lender agrees that it shall disclose to HUD any future identities of interest, as defined in Program Obligations, during the construction period or prior to final endorsement.

7. Lender certifies to HUD that no identity of interest, as defined in Program Obligations, exists between Lender and the counsel to Borrower and that no portion of the amounts included in the Loan for Borrower's attorneys has been paid to Lender or its employees.

8. Lender certifies to HUD that all funds, escrows, accounts and deposits specified in this Request and any and all other funds held by or at the order of Lender in connection with the Loan transaction covered by this Request shall be funds held pursuant to Program Obligations and any applicable escrow agreements.

9. Lender certifies that all HUD form closing documents submitted to HUD in connection with this transaction (with the exception of the Opinion by Counsel to Borrower and the accompanying Certification by Borrower) conform to those documents Lender obtained from HUD and such documents have not been changed or modified in any manner except as suitably identified and approved by HUD as evidenced by the attached memorandum. It is understood that changes and modifications do not include filling in blanks, attaching exhibits or riders, deleting inapplicable provisions or making changes authorized by Program Obligations. Lender further certifies that all closing documents submitted to and accepted by HUD at closing in connection with this transaction are listed in the attached memorandum. **See Memorandum and Exhibit C attached hereto.**

10. Lender acknowledges, based upon its reasonable due diligence, that Borrower has obtained the necessary governmental certificates, permits, licenses, qualifications and approvals of Governmental Authorities, to own and operate the Mortgaged Property and to carry out all of the transactions required by the Loan Documents and to comply with applicable federal statutes and regulations of HUD in effect on the date of the Firm Commitment. Lender also acknowledges that appropriate actions have been taken by and necessary filings have been made with those Governmental Authorities all as disclosed by Borrower in **Exhibit N/A** attached hereto.

11. **[INTENTIONALLY OMITTED]**

12. Lender certifies that it has made reasonable inquiry and has discovered no liens or encumbrances against the Mortgaged Property that are not reflected as exceptions to coverage in the title policy.

13. Lender certifies that the Loan does not violate the usury laws or laws regulating the use or forbearance of money of the Property Jurisdiction.

14. Lender agrees that, if there is a sale or transfer of all or a partial interest in the Note (other than a sale or transfer of a participation or other beneficial interest, e.g., a transfer of any interest of a Ginnie Mae MBS Security, or the creation of a security interest) or a change of the Loan servicer, Lender shall be responsible for ensuring that Borrower is given Notice of the sale, transfer and/or change.

Lender hereby certifies that the statements and representations of fact contained in this instrument and all documents submitted and executed by Lender in connection with this transaction are, to the best of Lender's knowledge, true, accurate, and complete. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Date As of July <u>16</u> , 2014	Lender OAK GROVE COMMERCIAL MORTGAGE, LLC , a Delaware limited liability company
	By: <u>Beverly D. Berquam</u> Beverly D. Berquam Vice President

II. CERTIFICATE OF BORROWER

A. The undersigned Borrower certifies to HUD:

1. Borrower has read the foregoing Certifications of Lender, and to the best of its knowledge and belief considers it correct.

2. All funds escrowed with Lender, as set forth in the Certifications of Lender, may be held by Lender for the purposes indicated therein, or in an Event of Default and with HUD's permission may be applied to the Indebtedness.

3. No Fixtures or Personalty acquired for the Project have been purchased using a conditional sale contract or other form of delayed payment

B. Additionally, the undersigned certifies that:

1. Borrower has received the sum of \$5,570,100.00, constituting the full principal amount of the Loan for this Project.

2. Construction or repairs is/are complete, except as otherwise noted in the Certifications of Lender, and is in accordance with the drawings and specifications or list of repairs required by HUD. The Security Instrument is a good and valid first lien; the Mortgaged Property is free and clear of all liens other than that of the Security Instrument or such inferior liens as have been approved by HUD; and all outstanding unpaid obligations contracted by or on behalf of Borrower, directly or indirectly, in connection with the Loan transaction, the acquisition of the Mortgaged Property, and the construction, substantial rehabilitation or repair of the Project are listed below:

(a)	HUD-approved notes	Amended and Restated Subsidy Repayment Note (Waterford Place) in the original principal loan amount of \$858,934.61 a copy of which is attached as Exhibit E hereto.
(b)	Due General Contractor	\$ N/A
(c)	Other	\$ N/A

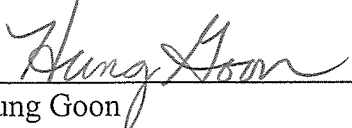
(NOTE: If the space provided is inadequate to list all unpaid obligations, insert the total in each category and attach itemizations. If there are no outstanding obligations, so state.)

3. Except for any amounts due on notes listed in item II.B.2 above, the undersigned agrees to pay the foregoing obligations in cash and to furnish HUD with receipts, or other evidence of payment satisfactory to HUD, within 45 days following the date hereof.

4. Borrower represents and warrants to Lender and HUD that no UCC filings have been made against Borrower, the Project or the Project Assets prior to the initial/final endorsement of the Note by HUD, and Borrower has taken and shall take no action which would give rise to such UCC filings, except for any UCC filings in connection with the acquisition of any Personalty (as listed below), that has been approved in writing by HUD.

NONE

The Borrower affirms that the statements and representations of fact by Borrower contained in this instrument and all documents are, to the best of Borrower's knowledge, true, accurate, and complete. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Date As of July <u>10</u> , 2014	Borrower CCBA WATERFORD PLACE, LLC , a Massachusetts limited liability company
	By: WATERFORD PLACE MANAGEMENT, LLC, a Massachusetts limited liability company, its manager By: CHINESE CONSOLIDATED BENEVOLENT ASSOCIATION OF NEW ENGLAND, INC., a Massachusetts non-profit corporation, its sole member By:  Hung Goon President

III. CERTIFICATE OF GENERAL CONTRACTOR

A. The undersigned general contractor certifies to HUD:

1. The construction is in accordance with the Drawings and Specifications approved by HUD.

2. All outstanding unpaid obligations contracted by or on behalf of the undersigned in connection with the Construction Contract are listed below:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

(NOTE: If the space provided is inadequate to list all unpaid obligations, insert the total in each category and attach itemizations. If there are no outstanding obligations, indicate "none.")

B. Except for unfinished work funded by an escrow or escrows approved by HUD, the undersigned agrees to pay the foregoing obligations, and to furnish HUD receipts or other evidence satisfactory to HUD, within 15 days following receipt of payment from Borrower.

The General Contractor affirms that the statements and representations of fact by General Contractor contained in this instrument and all supporting documentation thereto are, to the best of General Contractor's knowledge, true, accurate, and complete. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Name of Entity: _____

By: _____ /s/ _____

Printed Name, Title: _____

Dated: _____

By: _____ /s/ _____

Printed Name, Title: _____

Dated: _____

Warning

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

EXHIBIT A

1. In connection with the Mortgage Loan, an initial deposit in the amount of not less than \$302,400.00 shall be made to the Reserve for Replacement Fund.
2. Lender has collected a total of \$111,051.50, including: (a) a financing fee in the amount of \$83,551.50 in connection with processing the FHA Commitment and closing of the loan; and, (b) \$27,500.00 as reimbursement of the Lender's legal fees.
3. The term "financing charge" does not include the servicing fee included in the mortgage loan permanent interest rate. In the event we agree upon the request of the Borrower to invest replacement reserve funds or any other funds, or to perform other administrative services for the benefit of the Borrower or HUD, or in the event that we agree or are required by HUD to provide services which are not customarily provided by HUD Mortgagees as of the date hereof, we may charge such fees and charges as are customarily charged by us for the performance of such services.

EXHIBIT B

ESCROW AGREEMENT FOR NON-CRITICAL, DEFERRED REPAIRS

**Escrow Agreement
for Non-critical,
Deferred Repairs**

U.S. Department of Housing
and Urban Development
Office of Housing

OMB Approval No. 2502-0598
(Exp. 04/30/2014)

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This ESCROW AGREEMENT FOR NON-CRITICAL, DEFERRED REPAIRS (Agreement) made this 16th day of July, 2014, by and between **OAK GROVE COMMERCIAL MORTGAGE, LLC**, a Delaware limited liability company (**Lender**), whose principal address is 7233 Solution Center, Chicago, Illinois 60677-7002, and **CCBA WATERFORD PLACE, LLC**, a Massachusetts limited liability company (**Borrower**), whose principal address is 90 Tyler Street, Boston, Massachusetts 02111, in connection with HUD Project No. 023-11321, located in the City of Boston, County of Suffolk, Commonwealth of Massachusetts, which Project is being refinanced from the proceeds of a Loan insured by HUD and made by Lender. (The definition of any capitalized term or word used herein can be found in this Escrow Agreement for Non-critical, Deferred Repairs, the Regulatory Agreement between Borrower and HUD, the Note, and/or the Security Instrument, except that the term **Program Obligations** means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Agreement rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD's official website: (<http://www.hud.gov/offices/adm/hudclips/index.cfm> or a successor location to that site)).

RECITALS:

A. HUD has issued a Firm Commitment to insure said Loan pursuant to Section 207 pursuant to Section 223(f) of the National Housing Act, as amended, and Program Obligations, on which mortgage insurance Borrower is relying for financing of the Project.

B. The Firm Commitment is conditioned upon assurance that funds in the amount of \$594,191.88 be available for the completion of non-critical repairs deferred until after endorsement of the Note (**Escrow**), including all amounts identified in sections 1, 2 and 3 of this Agreement.

C. The non-critical, deferred repair cost estimate and list of repairs itemized in Exhibit "A" (**Repair Work**) are attached to and made part of this Escrow Agreement for Non-critical, Deferred Repairs.

D. As used herein, **Completion Date** means the date that is twelve (12) months following endorsement of the Note by HUD for mortgage insurance.

AGREEMENTS:

In consideration of the mutual promises and undertakings contained herein, and for the purpose of inducing the Lender to make and HUD to insure said Loan, the parties acknowledge and agree as follows:

1. Cash in the amount of \$495,159.90, equal to one hundred percent (100%) of the estimated cost of the Repair Work, has been withheld by Lender from the proceeds of the Loan, or deposited by Borrower with Lender or subject to the control and order of Lender with a depository institution satisfactory to Lender in accordance with Program Obligations, and is hereby included in the Escrow (**Repair Estimate Amount**). A letter of credit may not be substituted for this amount.

2. An additional cash amount of \$99,031.98, consisting of not less than twenty percent (20%) of the estimated cost of the Repair Work, has been deposited by Borrower with Lender or subject to the control and order of Lender with a depository institution satisfactory to Lender in accordance with Program Obligations, and is hereby included in the Escrow (**Additional Deposit Amount**), in the form of [*specify as applicable*]:

cash, and/or

one or more unconditional irrevocable letter(s) of credit issued to Lender by a banking institution, attached hereto as Exhibit "B". The rating of the issuing banking institution and the duration of such letter(s) of credit shall comply with Program Obligations.

3. In the event of a cash out refinancing under Section 223(f) of the National Housing Act, a further additional cash amount of \$N/A equal to fifty percent (50%) of the cash out proceeds, has been withheld by Lender from the proceeds of the Loan, and is hereby included in the Escrow (**Cash Out Proceeds Amount**).

4. Borrower shall complete the Repair Work, free of all liens, on or before the Completion Date. Borrower shall remedy or cause to be remedied all defects in the Repair Work due to faulty materials or workmanship, defective materials, or damage to the Project resulting from such defects, which defects or damage become apparent within twelve (12) months from completion of the Repair Work to the satisfaction of HUD (**Latent Defects**).

5. Subject to the prior written approval of HUD, Lender may release funds from the Escrow for completed work pursuant to the estimated amounts set forth in Exhibit "A" Repair Work, less a 10% holdback, which will be held until all work is satisfactorily completed, as determined by HUD.

6. Disbursements from this Escrow shall be made only upon prior written approval of HUD, with the exception of those amounts expended by Lender pursuant to Paragraph 7 of this Agreement, to meet any established cost for which the Escrow was intended.

7. If Borrower has not completed all the Repair Work by the Completion Date, Lender will have the right, subject to HUD approval, to complete the Repair Work, and to pay the cost thereof, including all costs and a reasonable fee of the Lender, from the Escrow. For this purpose, Borrower irrevocably appoints Lender as its attorney-in-fact, with full power of substitution, to do and perform for Borrower in Borrower's name, place and stead, all matters and things which Lender shall in its judgment deem necessary and proper to effectuate the completion of the Repair Work, and to apply the amount deposited under the Escrow to the payment of debts, expenses, costs and charges of any kind contracted or incurred in connection therewith. The orders given by Lender as attorney-in-fact for Borrower shall be good and sufficient vouchers for all payments made by virtue thereof. In this connection, this power of attorney shall provide Lender with full and sufficient authority to enter into and upon the Project and take charge thereof, together with all materials, appliances, Fixtures and other improvements and to call upon and require contractors to complete the Repair Work. Except for intentional misconduct or gross negligence on the part of Lender, Borrower shall indemnify, hold harmless and defend Lender from and against claims of third parties arising from Lender's performance under this paragraph. Lender shall have the right to obtain any property and/or liability insurance coverage which Lender shall in its judgment deem necessary or appropriate in connection with Lender's performance under this paragraph. Subject to written HUD approval, Lender may extend the Completion Date. Lender will not be responsible for performance of the Repair Work beyond the expenditure of the amount available from the Escrow, and if that amount is insufficient, Lender will be under no obligation to proceed further with the Repair Work. The power granted herein is coupled with an interest, and Borrower acknowledges and agrees that all powers granted herein to Lender may be assigned to HUD. Lender will provide Borrower with a breakdown of the repairs, and the costs of completion (including administrative expenses). Funds remaining in the Escrow after completion will be returned to the Borrower pursuant to Section 8 below, less administrative costs incurred in completion of the repairs.

8. Subject to Paragraph 7 of this Agreement, provided that an Event of Default does not then exist,

(a) any balance remaining in the Escrow that is attributable to the Additional Deposit Amount, the Cash Out Proceeds Amount, and any portion of the Repair Estimate Amount funded by Borrower separate from Loan proceeds, may be released to Borrower when: (i) all Repair Work has been satisfactorily completed, as determined by HUD, (ii) evidence of clear title has been provided to HUD, and (iii) Latent Defects assurances that are compliant with Program Obligations have been provided in the form of a cash escrow, letter of credit, or a surety bond from a surety on the accredited list of the U.S. Treasury, in an amount equal to two and one-half percent (2 ½ %) of the Repair Estimate Amount (**Latent Defects Deposit**), which shall be held as part of the Escrow. Said sums may be used for the correction of Latent Defects in the event Borrower fails to make such corrections; and

(b) any balance remaining on account of the Latent Defects Deposit shall be released to Borrower, upon the latter of (i) fifteen (15) months from the completion of the Repair Work, or (ii) at such time as the Latent Defects have been corrected to the satisfaction of HUD.

9. In cases where the actual cost of the Repair Work is less than estimated, any resulting excess funds in the Escrow attributable to the Repair Estimate Amount that were funded from Loan proceeds may be used for the following purpose(s): (a) to pay for additional repairs approved by Lender and HUD, the funds for which shall continue to be subject to this Agreement, in addition to further cost certification if Program Obligations so require; (b) to reduce the outstanding Loan balance; (c) to deposit in the Reserve for Replacement.

10. The Escrow, when in the form of cash, shall be held by Lender or a depository institution satisfactory to the Lender and in accordance with Program Obligations. Lender may, at any time, for any reason, draw upon any letter of credit included in the Escrow and convert the same to cash, which cash shall then be held and disbursed pursuant to the terms of this Agreement. Fees charged by Lender and any interest earned on the Escrow shall be governed by Program Obligations.

11. The Escrow may, at HUD's direction, be subject to immediate application to the Indebtedness if an Event of Default by Borrower occurs at any time.

Each signatory below hereby certifies that each of their statements and representations contained in this Agreement and all their supporting documentation thereto are true, accurate, and complete. This Agreement has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Exhibit "A" – Repair Work

IN WITNESS WHEREOF, the parties have duly executed this Escrow Agreement for Non-critical, Deferred Repairs as of the day and year first above written.

[SIGNATURES APPEAR ON SUCCEEDING PAGE]

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

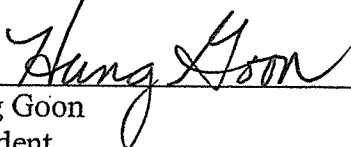
**SIGNATURE PAGE TO ESCROW AGREEMENT FOR NON-CRITICAL,
DEFERRED REPAIRS**

BORROWER:

CCBA WATERFORD PLACE, LLC, a Massachusetts limited liability company

By: WATERFORD PLACE MANAGEMENT, LLC, a Massachusetts limited liability company, its manager

By: CHINESE CONSOLIDATED BENEVOLENT ASSOCIATION OF NEW ENGLAND, INC., a Massachusetts non-profit corporation, its sole member

By: 
Hung Goon
President

Waterford Place Apartments
Boston, Suffolk County, Massachusetts
FHA Project No. 023-11321

**SIGNATURE PAGE TO ESCROW AGREEMENT FOR NON-CRITICAL,
DEFERRED REPAIRS**

LENDER:

**OAK GROVE COMMERCIAL MORTGAGE,
LLC, a Delaware limited liability company**

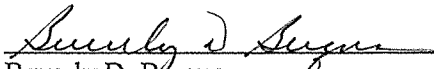
By: 
Beverly D. Berquam
Vice President

EXHIBIT "A"

Repair Work

Repair	Units	Unit Price	Cost
Unit 602 was observed with a window in the master bedroom with a cracked seal causing the window to appear "fogged". The window sash requires replacement. The owner has elected to replace the windows at the property; therefore, no cost is associated with this repair.	1	\$1.00	No cost
Unit 602 was observed with a broken towel bar in the bathroom. The towel bar requires replacement.	1	\$25.00	\$25.00
The bathroom ceiling in unit 607 was observed with drywall damage. The drywall damage requires repairs and repainting.	1	\$150.00	\$150.00
The existing fully ballasted EPDM was observed in fair physical condition and approaching the end of it's estimated useful life (EUL). Additionally, site management mentioned continuous service issues related to existing roof. The roof requires replacement to prevent further damage to the building envelope.	6256 sf	\$19.89	\$124,450.00
Owner Elected Repairs			
The owner has elected to refurbish the balconies at the property	27	\$411.00	\$11,097.00
The owner has elected to replace the storefront doors at the property	2	\$1,026.00	\$2,052.00
The owner has elected to replace the single hollow metal doors at the property	4	\$399.00	\$1,596.00
The owner has elected to replace the double hollow metal doors at the property	2	\$729.00	\$1,458.00
The owner has elected to replace the aluminum sliding patio doors at the property.	27	\$0.00	\$0.00
The owner has elected to refurbish the roof-top patios	4040 sf	\$0.00	\$0.00
The owner has elected to perform technical pointing on the brickwork at the property.	5000 sf	\$1.76	\$8,800.00
The owner has elected to paint the exterior stucco	3360 sf	\$0.89	\$2,990.40
The owner has elected to paint the exterior CMU	1350 sf	\$0.89	\$1,201.50
The owner has elected to replace the aluminum storefront windows	990 sf	\$0.00	\$0.00
The owner has elected to replace the single hung insulated glass windows at the property	260	\$805.15	\$209,340.00
The owner has elected to replace the picture windows at the property	16	\$0.00	\$0.00

The owner has elected to replace the HVAC boilers at the property	4	\$33,000.00	\$132,000.00
Replace the water circulation pump for the HVAC boilers	2	\$0.00	\$0.00
Non-Critical Subtotal			\$ 495,159.90
20% Contingency Reserve			\$ 99,031.98
Total			\$ 594,191.88

EXHIBIT C

The following changes were made per Special Condition 29 & 32 of the Firm Commitment.

5.5.—Subject to the prior written approval of HUD, Lender may release funds from the Escrow for completed work pursuant to the estimated amounts set forth in Exhibit “A” Repair Work, less a 10% holdback, which will be held until all work is satisfactorily completed, as determined by HUD.

7.7.—If Borrower has not completed all the Repair Work by the Completion Date, Lender will have the right, subject to HUD approval, to complete the Repair Work, and to pay the cost thereof, including all costs and a reasonable fee of the Lender, from the Escrow. For this purpose, Borrower irrevocably appoints Lender as its attorney-in-fact, with full power of substitution, to do and perform for Borrower in Borrower’s name, place and stead, all matters and things which Lender shall in its judgment deem necessary and proper to effectuate the completion of the Repair Work, and to apply the amount deposited under the Escrow to the payment of debts, expenses, costs and charges of any kind contracted or incurred in connection therewith. The orders given by Lender as attorney-in-fact for Borrower shall be good and sufficient vouchers for all payments made by virtue thereof. In this connection, this power of attorney shall provide Lender with full and sufficient authority to enter into and upon the Project and take charge thereof, together with all materials, appliances, Fixtures and other improvements and to call upon and require contractors to complete the Repair Work. Except for intentional misconduct or gross negligence on the part of Lender, Borrower shall indemnify, hold harmless and defend Lender from and against claims of third parties arising from Lender’s performance under this paragraph. Lender shall have the right to obtain any property and/or liability insurance coverage which Lender shall in its judgment deem necessary or appropriate in connection with Lender’s performance under this paragraph. Subject to written HUD approval, Lender may extend the Completion Date. Lender will not be responsible for performance of the Repair Work beyond the expenditure of the amount available from the Escrow, and if that amount is insufficient, Lender will be under no obligation to proceed further with the Repair Work. The power granted herein is coupled with an interest, and Borrower acknowledges and agrees that all powers granted herein to Lender may be assigned to HUD. Lender will provide Borrower with a breakdown of the repairs, and the costs of completion (including administrative expenses). Funds remaining in the Escrow after completion will be returned to the Borrower pursuant to Section 8 below, less administrative costs incurred in completion of the repairs.

Exhibit D

Copy of Amended and Restated Subsidy Repayment Note

**Amended and Restated Subsidy Repayment Note
(Waterford Place)**

\$858,934.61

Date: as of July 1, 2014

Boston, MA

FOR VALUE RECEIVED, the undersigned CCBA Waterford Place, LLC, a Massachusetts limited liability company, having an address c/o Chinese Consolidated Benevolent Association of New England, Inc. (CCBA), 90 Tyler Street, Boston, Massachusetts 02111, Attn: Hung Goon (the "Borrower"), promises to pay to the order of the Massachusetts Housing Finance Agency, at its address of One Beacon Street, Boston, Massachusetts 02108 ("Holder"), or at such other place as Holder may from time to time designate in writing, which term Holder shall include the holder from time to time of this Amended and Restated Subsidy Repayment Note (Waterford Place) (this "Note"), the principal sum of EIGHT MILLION FIFTY-EIGHT THOUSAND NINE HUNDRED THIRTY-FOUR DOLLARS AND SIXTY-ONE CENTS (\$858,934.61), with interest on so much thereof as shall from time to time be outstanding, at the rate of interest of One Tenth of One Percent (0.1%) per annum, except as otherwise specifically provided herein. Interest hereunder shall be calculated based upon the actual days elapsed during the applicable interest payment period.

This Note amends and restates in its entirety that certain Subsidy Repayment Note dated June 28, 1989 executed by CCBA Limited Partnership, and assumed by Borrower pursuant to an Assignment and Assumption Agreement, for the benefit of Holder, in the original amount of \$3,156,376 (the "Original Note"). The indebtedness evidenced hereby represents the remaining so-called SHARP debt due under the Original Note from the Borrower to Department of Housing and Community Development of the Commonwealth of Massachusetts, but repaid to Holder, as set forth in Massachusetts General Laws c. 23B §27.

Concurrently herewith, Oak Grove Commercial Mortgage, LLC (the "Senior Lender") is making a new first mortgage loan (the "Replacement First Mortgage Loan") to the Borrower in the original principal amount of \$5,570,100. The Borrower shall pay to Holder annually the "Annual Cash Flow Sharing Payment" as hereinafter defined. The "Annual Cash Flow Sharing Payment" shall mean 25% of Surplus Cash (hereinafter defined). "Surplus Cash" shall mean Surplus Cash as defined in a certain Regulatory Agreement for Multifamily Projects of even date herewith between the Borrower and the United States Department of Housing and Urban Development respecting the Property (hereinafter defined). Surplus Cash shall be determined or approved by The United States Department of Housing and Urban Development or its successor ("HUD"). Subject to the terms of this paragraph, on the first day of July in every year during the term of this Note, the Borrower shall pay to Holder the Annual Cash Flow Sharing Payment for the prior calendar/fiscal year ending December 31. Concurrently with each Annual Cash Flow Sharing Payment, the Borrower shall provide Holder with such certifications and other information as the Borrower shall provide HUD with respect to the determination of Surplus Cash for the year in question, together with HUD's approval of same or HUD's determination of

Surplus Cash for such year which the Borrower accepts, and the Borrower's certification as to same and the correctness of the Annual Cash Flow Sharing Payment.

On (i) the Maturity Date (as defined below); (ii) the sale of the Property, (iii) the refinancing of the Replacement First Mortgage Loan; or (iv) such earlier date as this Note becomes due and payable, whether by acceleration or otherwise, the entire outstanding principal balance hereof, together with accrued but unpaid interest thereon, shall be due and payable in full. All principal and other payments due under this Note if not sooner paid or due shall be due and payable on July 1, 2064 (the "Maturity Date").

Until the indebtedness evidenced by the Replacement First Mortgage Loan shall be paid in full, the Borrower may not prepay this Note at any time, either in whole or in part. After the indebtedness evidenced by the Replacement First Mortgage Loan shall be paid in full, the Borrower may prepay this Note at any time, either in whole or in part, without premium or penalty.

Upon the occurrence of an Event of Default (as defined in the SHARP Mortgage, Security Agreement and Conditional Assignment of Leases and Rents dated as of the date hereof from the Borrower to Holder (the "Mortgage")), Holder shall have the right and option, without notice or demand, to declare the entire indebtedness evidenced hereby, with interest accrued thereon, and such other charges payable thereon as determined under the provisions of this Note, forthwith due and payable, and to exercise all other rights and remedies hereunder or under the Mortgage (as hereinafter defined) or other Loan Documents (as defined in the Mortgage) on account thereof.

All payments shall be made at the office of Holder in Boston, Massachusetts, or at such other place as Holder hereof may from time to time designate in writing. If any portion of the indebtedness evidenced hereby is not paid when due, then in addition to all other rights and remedies of Holder hereunder and under the Mortgage respecting the mortgaged property described therein (the "Property") or other instruments executed incident hereto, Borrower agrees that all unpaid amounts shall bear interest until paid at the lesser of the following rates (the lesser of such rates, the "Delinquency Rate"): (i) the annual rate which is five percent (5%) per annum above the Prime Rate as published in the Money Rates section of the Wall Street Journal and (ii) the maximum rate of interest which may lawfully be charged or collected on account of such unpaid amounts in accordance with applicable law. Further, if any payment due under this Note is delinquent for five (5) days or more, or if any other amount due under the Mortgage is not paid within five (5) days after notice from Holder that such payment is due, then Borrower shall pay, in addition to any other sums due under this Note (and without limiting Holder's other remedies on account thereof), then and thereafter, until such delinquency is cured, interest on such delinquency at the Delinquency Rate.

Upon the occurrence of an Event of Default, all payments received by Holder on this Note shall be applied to the indebtedness and sums due under this Note in such order as Holder shall determine.

Whenever notice, demand or a request may properly be given under this Note, the same shall always be sufficient if in writing and given in the manner set forth for the provision of notice under the terms of the Mortgage.

Borrower shall not assign its rights or obligations under this Note without the prior written consent of Holder.

Every Borrower, endorser and guarantor of this Note (i) waives presentment, demand, notice, protest and all other demands and notices; (ii) agrees that no release of any security for the principal sum due under this Note nor any extension or postponement of the time for payment of this Note nor any other indulgence nor the addition or release of any other party or person primarily or secondarily liable hereunder nor the addition, substitution, exchange or release of security for this Note nor the alteration, amendment or waiver of any provision of this Note or the Mortgage shall release, discharge, modify, change or affect the liability of any Borrower, guarantor or endorser hereof; (iii) agrees, upon the Maturity Date, that Holder hereof may, at its option, set off against the payment of this Note any sums due from Holder to Borrower, or any endorser or guarantor hereof, and may hold as additional security for the payment of this Note any property, real or personal, of Borrower or endorser or guarantor hereof in the possession of Holder; and (iv) agrees to pay, upon demand, all costs and expenses of collecting and enforcing this Note or any collateral or security therefor, including, without limitation, reasonable attorney's fees, incurred or paid by Holder in connection therewith, whether or not litigation is commenced.

This Note shall be construed and enforced in accordance with, and the rights of the parties herein shall be governed by, the laws of The Commonwealth of Massachusetts.

The indebtedness evidenced by this Note is secured by the Mortgage, and other documents heretofore and from time to time hereafter executed in connection therewith.

This Note may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

Borrower shall be fully liable for the obligations of Borrower to Holder evidenced by this Note. Notwithstanding the provisions of the preceding sentence, no partner (whether general or limited), manager, or member of Borrower and no officer, director, trustee, member, manager, agent, beneficiary, shareholder or employee of Borrower or of any partner, manager, or member thereof shall have any personal liability for the payment of any sum of money that is, or may become, payable by Borrower under or pursuant to this Note, the Mortgage, or any of the other Loan Documents or for the performance of any obligation by Borrower arising pursuant to this Note, the Mortgage, or any of the other Loan Documents, and Holder shall look only to Borrower and its assets for such payment or performance; provided, however, that the foregoing shall not limit the liability of any such person under any Loan Document that expressly guaranties an obligation of Borrower to Holder. Nothing herein shall preclude Holder from asserting such claims as it may have at law or in equity against any partner, manager or member of Borrower or any officer, director, trustee, member, manager, agent, or employee of Borrower or of such partner, manager or member for any loss or damage Holder actually suffers as a result of any of the following:

- (i) intentional fraud committed by such person; or
- (ii) a willful breach by such person of a warranty contained in any Loan Document or a false representation of a material fact made by such person with respect to itself, Borrower or the Property that was known by such person to be false when made; or
- (iii) a false representation knowingly made by such person that it has legal capacity and is authorized to sign this Note, the Mortgage or other Loan Document, on behalf of the entity on whose behalf such individual has signed.

Nothing contained above or elsewhere shall (i) limit the right of Holder to obtain injunctive relief or to pursue equitable remedies under any of the Loan Documents, excluding only any injunctive relief ordering payment of obligations by any person or entity for which personal liability does not otherwise exist; or (ii) limit the liability of any attorney, law firm, architect, accountant or other professional who or that renders or provides any written opinion or certificate to Holder in connection with the loan even though such person or entity may be an agent or employee of Borrower or of any partner, manager, or member thereof.

If any term of this Note or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

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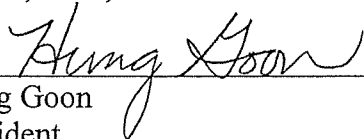
IN WITNESS WHEREOF, Borrower has executed and delivered this Note under seal as of the day and year first above written.

BORROWER:

CCBA WATERFORD PLACE, LLC, a
Massachusetts limited liability company

By: WATERFORD PLACE MANAGEMENT, LLC, a
Massachusetts limited liability company, its
manager

By: CHINESE CONSOLIDATED
BENEVOLENT ASSOCIATION OF NEW
ENGLAND, INC., its sole member

By: 
Hung Goon
President

SIGNED IN THE PRESENCE OF:



MEMORANDUM

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Section 223(f) Initial/Final Closing Checklist

Project Name Waterford Place Apartments
Boston, Suffolk County, Massachusetts

Checklist Draft Date May 30, 2014

FHA Project Number 023-11321

Initial/Final Closing Date July 16, 2014

Unless otherwise agreed, the HUD Attorney will obtain 3 sets of all documents: originals (O), certified copies (Cert), or photocopies (C), as noted. Where originals are requested, only 1 needs to be an original, and the rest may be copies. If a copy is requested, an original will be accepted.

		HUD Form #		Status and Comment	
I. FHA Commitment					
1.	a. FHA Firm Commitment		HUD-92432	C	X
	b. Amendments, if any			C	X
	c. Assignments, if any			C	N/A
II. Organizational, Due Diligence, and Other Supporting Documents					
2.	Borrower's Incumbency Certificate with Organizational Documents attached			O	CCBA WATERFORD PLACE, LLC, a Massachusetts limited liability company
	a. Filed formation documents, from Secretary of State, as amended			C	X
	b. Operating Agreement / Partnership Agreement / Bylaws, as amended			C	X
	c. Authorizing Resolution			C	X
	d. Status certificate			C	X
	e. Qualification to Do Business in Project State			C	N/A
3.	Borrower's Managing Member / General Partner's Incumbency Certificate with Organizational Documents attached			O	WATERFORD PLACE MANAGEMENT, LLC, a Massachusetts limited liability company CHINESE CONSOLIDATED BENEVOLENT ASSOCIATION OF NEW ENGLAND, INC., a Massachusetts non-profit corporation
	a. Filed formation documents, from Secretary of State, as amended			C	X
	b. Operating Agreement / Partnership Agreement / Bylaws, as amended			C	X
	c. Authorizing Resolution			C	X
	d. Status certificate			C	X
	e. Qualification to Do Business in Project State			C	N/A
4.	ALTA Survey Plat with HUD Survey Certification			O	X

Item	HUD Form	#	Status and Comment
5. Surveyor's Report	HUD-92457M	O	X
3. Title Insurance Policy, with endorsements		O	X
a. Title Exception Documents		C	X
b. UCC Search Report		C	X
7. Deed or Ground Lease	HUD-92070M, if Ground Lease	C	X
3. Evidence of Zoning Compliance		C	X
9. Evidence of Building Code Compliance		C	X
10. Assurance of Utility Service		C	X
11. Opinion of Borrower's Counsel	HUD-91725M	O	X
a. Certification of Borrower	HUD-91725M- CERT	O	X
b. Supporting legal opinion		C	
c. List of pending litigation		C	X
12. Inspection Fee Check		O	X
13. Mortgage Insurance Premium (MIP) Check		O	X
14. Special Conditions from Firm Commitment		C	Please See Below
15. Local Requirements		C	N/A
16. Attendance List		O	X
III. HUD Loan Documents			
17. Note (Multistate)	HUD-94001M & state addendum	C	X
18. Security Instrument	HUD-94000M & state addendum	O	X
19. Regulatory Agreement	HUD-92466M	O	X
20. UCC Financing Statements (State & County)		C	X
21. Request for Endorsement of Credit Instrument	HUD-92455M	O	X
22. Agreement and Certification	HUD-93305M	O	X
23. Short Form Cost Certification	HUD-2205-A	O	N/A

Item	HUD Form	#	Status and Comment
24. Certified Closing Statement		0	X
25. Certificate Regarding Tenant's Security Deposit		0	X
26. Lender's Assurance of Permanent Financing		0	X
27. Escrow Agreement for Non-critical, Deferred Repairs	HUD-92476.1M	0	X
28. Operating Deficit Escrow	HUD-92476a-M	0	N/A
29. Escrow Agreement for Off-Site Facilities	FHA-2446	0	N/A
30. Excess Mortgage Proceeds Escrow		0	N/A
31. Other escrow agreements, if applicable		0	N/A
32. Borrower's Oath	HUD-92478M	0	X
IV. Secondary Financing Loan Documents			
33. Restrictive Covenants/Use Agreements		C	X Disposition Agreement
34. Secondary Financing Loan Documents		C	X
a. Release		C	X
b. Note		C	X
c. Mortgage		C	X
d. Subordination Agreement, or Rider to Note and Mortgage	HUD-92420M	0	X
35. Disbursement Agreement		0	N/A
V. HUD Administrative Documents and Additional Requirements			
36. Administrative Memo with attached Waivers and HUD-2 forms		0	If applicable.
37. Document Review Worksheets, if applicable		0	If applicable.
38. Previous Participation Certification Clearance	HUD-92530	C	
39. HUD Representative's Trip Report	HUD-95379	0	
40. Commercial Space Leases (with Tenant Estoppel Certificates)		C	N/A
41. Subordination, Non-Disturbance and Attornment Agreements		C	N/A
42. EEOC Certification	HUD-92010	0	X
43. Title VI Assurance of Compliance	HUD-4190	0	X

Item	HUD Form	#	Status and Comment
44. Borrower's Byrd Amendment Certificate		0	X
45. Lender's Byrd Amendment Certificate		0	X
46. LIHTC Certificate		0	X
47. Evidence of Insurance			X
48. Current Payment Letter			X
49. Payoff Letter			X
50. HUD-compliant Management Agreement			X
51. Borrower's and Management's Certificate of Representations and Warranties			X

TAB #14 SPECIAL CONDITIONS TO FHA FIRM COMMITMENT

SPECIAL CONDITION	SPECIAL CONDITION NO.	STATUS/LOCATION
Commitment Condition 23: Prior to initial endorsements, the owner must provide HUD with certification/evidence that all accounts payable and outstanding liabilities for project operating expenses have been cleared and released	Commitment Condition No. 23	Included here
Complete Critical Repairs and Escrow for Non-Critical Repairs	Special Condition No. 25	Evidence of completion of critical repairs included here See Tab No. 27 for Escrow Agreement of Non-Critical Repairs
Provide verification that all critical repairs are complete and inspected. An inspection fee of \$2,838 shall be paid at initial/final endorsement	Special Condition No. 26	See Special Condition No. 25 and see Tab No. 12
Smoke Detector Certification per MAP Guide	Special Condition No. 27	Included here
Deposit 20% contingency in Non-Critical Repair Escrow	Special Condition No. 28	See Tab No. 27

<p>The Mortgagee may release funds in the escrow in proportion to the cost of work completed less a 10% holdback, which will be held until all work is completed and found acceptable.</p>	<p>Special Condition No. 29</p>	<p>See Tab No. 27</p>
<p>Funds in escrow account may be released when (i) repairs complete; (ii) evidence of clear title has been provided to field office; and (iii) latent defects assurances have been provide</p>	<p>Special Condition No. 30</p>	<p>See Tab No. 27</p>
<p>Non-Critical Repairs must be completed within 12 months of endorsement</p>	<p>Special Condition No. 31</p>	<p>See Tab No. 27</p>
<p>Lender to complete repairs by end of repair period if Borrower does not. Lender will provide Borrower with a breakdown of the repairs, and costs of completion (including administrative expenses). Funds remaining in the escrow after completion of repairs will be returned to the Borrower less administrative costs incurred in completing the repairs.</p>	<p>Special Condition No. 32</p>	<p>See Tab No. 27</p>
<p>HUD may inspect the progress of repairs and HUD and its representatives shall at all times have access to the property & right to inspect</p>	<p>Special Condition No. 33</p>	<p>Not a deliverable item</p>
<p>Mortgagor must submit certified annual financial statements in accordance with HUD Handbook 4370.1</p>	<p>Special Condition No. 34</p>	<p>Included here</p>
<p>Updated organizational documents</p>	<p>Special Condition No. 35</p>	<p>See Tab No. 2</p>
<p>Add Section 223(f) language to the Note</p>	<p>Special Condition No. 36</p>	<p>See Tab No. 17</p>
<p>In the event the mortgagee is assigning the loan to another lender, HUD must review and give its advance consent prior to closing and assignment</p>	<p>Special Condition No. 37</p>	<p>Not applicable</p>
<p>Executed copies of FHA Commitment and Cost</p>	<p>Special Condition No. 38</p>	<p>See Tab No. 1 and Cost Certification not</p>

Certification		applicable
HUD recommends projects utilize energy saving methods, mechanical systems and appliances	Special Condition No. 39	Not a deliverable item
Commitment is subject to closing requirements of HUD MAP Guide and Multifamily Program Guide	Special Condition No. 40	Various requirements satisfied in connection with HUD submission and closing
Closing date to be established no earlier than two weeks after submission of three complete sets of draft closing documents	Special Condition No. 41	Done in connection with HUD submission
By accepting commitment, Mortgagor and Mortgagee agree that HUD may rely on the information contained therein and each is obliged to amend or supplement the information if any material facts should change prior to endorsement of the loan	Special Condition No. 42	Not a deliverable item
Updated, certified rent roll to be provided for review and approval prior to closing (w/in 30 days of closing)	Special Condition No. 43	Included here
Survey must be current and conform to the current standards in Mortgagee Letter 2011-21	Special Condition No. 44	See Tab No. 4
All management documents to be updated/compliant with MAP requirements. No hold harmless clauses or outdated references permissible. No Construction Management Fee is allowed. Handbook 4381.5 REV 2 contains information pertaining to special fees	Special Condition No. 45	See Tab No. 50
MIP is 1% for year 1 and 0.45 for subsequent years	Special Condition No. 46	See Tab No. 18 and Tab No. 21
Mortgagor to provide <i>specification</i> for the window replacement with an indication of the noise attenuation provided. Noise attenuation to be the maximum practical.	Special Condition No. 47	Included here

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<p>An acceptable Subordination Agreement (in conformance with MAP Guidelines, etc.) for all secondary debt must be approved by HUD legal. All subdebt to be verified, approved and subject to MAP guide limits/terms. Term Sheet from MassHousing to be provided for acceptance detailing any debt including SHARP loans/interest and any debt deferral/forgiveness</p>	<p>Special Condition No. 48</p>	<p>See Tab No. 34(d)</p>
<p>Updated financial statements and Real Estate Owned Schedules to be provided for review and acceptance. This includes the key principal CCBA.</p>	<p>Special Condition No. 49</p>	<p>Included here</p>
<p>Elevator Machine</p>	<p>Special Condition No. 50</p>	<p>Included here</p>