VCDP LOAN AND MORTGAGE MODIFICATION AGREEMENT

This VCDP LOAN AND MORTGAGE MODIFICATION AGREEMENT is made by and between **Richmond Village Housing Limited Partnership** ("Mortgagor") and the **Town of Richmond** ("Lender").

30240

WHEREAS, Mortgagor and Lender executed a Mortgage on March 9, 1999, which mortgage is recorded in Book 109 at Page 629 of the Richmond land records, (the "Mortgage") as security for a Promissory Note executed on March 9, 1999 (the "Note") by Mortgagors, and

WHEREAS, the Mortgagor and Lender executed a VCDP Loan Agreement on March 9, 1999 (the "Loan Agreement"), and

WHEREAS, the Mortgage encumbers a certain property of Mortgagor known and described as Richmond Village consisting of 7 buildings containing a total of 16 dwelling units (the "Property"), and

WHEREAS, the parties to this Agreement modified the Note (the "First Note Modification Agreement") on February 23, 2015 and the Lender revised the Note to state the interest rate has been reduced to zero percent (0%) as of March 10, 2014 and a balloon payment is due on March 9, 2029. Therefore, the parties now wish to amend the Mortgage for the purpose of incorporating the terms of the First Note Modification Agreement into the Mortgage.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, Grantors and Lender agree as follows:

1. That the Mortgage is amended and modified to include reference to the First Note Modification Agreement.

2. That the Loan Agreement is amended and modified to delete paragraph 2.D. which reads:

> Repayment. Repayment of principal and interest shall be deferred during the first fifteen (15) years of the Loan term next following the date of the execution of the Mortgage and Security Agreement. Beginning with the last day of the calendar month next following the fifteenth anniversary of the date of such execution of the Mortgage and Security Agreement the Loan shall be payable in consecutive monthly installments of $2,625.37, of which amount (i) $625.00 is in payment of the interest that will have accrued as of the date of the first installment and will have fully paid such accrued interest with the 180th payment, and $2,000.37 amortizes the $300,000 principal of the debt with interest with interest at 2.5% thereon in 180 installments. Upon default of any

of the terms and conditions as of this VCDP Loan Agreement, or of any other obligation of Borrower to any Participating Party, that is not cured within any applicable grace period, the then outstanding principal balance of and all accrued interest on the Loan shall immediately become due and payable.

3. The following is hereby inserted into the original Loan Agreement:

> The Note throughout the thirty (30) year period commencing on March 9, 1999, no payments of principal or interest shall be due hereon, but interest has accrued at the rate of two and one-half percent (2.5%) per annum from March 9, 1999 through March 9, 2014. Beginning on March 10, 2014 and throughout the remainder of the term interest shall not accrue on the principal balance, as a result of which $412,500 will be due and owing hereunder on such 30th anniversary and shall be paid in full on such date, unless the property secured by the Mortgage is no longer used as affordable housing under Section 42 of the Internal Revenue Code. Then the Note shall be due and payable upon the date it no longer is considered affordable housing.

4. That all other terms and conditions in the Loan Agreement and Mortgage not specifically amended herein remain in full force and effect and that the Loan Agreement and Mortgage as amended herein shall continue as security for the First Note Modification Agreement.

Mortgagors
RICHMOND VILLAGE HOUSING LIMITED PARTNERSHIP
by: H.V. 1997, Inc., general partner

Duly authorized agent

RICHMOND VILLAGE HOUSING LIMITED PARTNERSHIP
by: Lake Champlain Housing Ventures, Inc., general partner

Duly authorized agent

Lender

TOWN OF RICHMOND

By: ______________________
Duly Authorized Agent

State of Vermont
County of Chittenden

On the 23rd day of February, 2015 personally appeared Glenn Von Bernewitz, duly

authorized agent of H.V. 1997, Inc. and Richmond Village Housing Limited Partnership, signor and sealer of this Agreement and acknowledged the same to be his/her free act and deed and the free act and deed of H.V. 1997, Inc. and Richmond Village Housing Limited Partnership,

Before me: Karen Allen
Notary Public
Commission Expires : 2/10/19

State of Vermont
County of Chittenden

On the 23rd day of February, 2015 personally appeared Michael Monte, duly authorized agent of Lake Champlain Housing ~~Development~~ Ventures, Inc. and Richmond Village Housing Limited Partnership, signor and sealer of this Agreement and acknowledged the same to be his/her free act and deed and the free act and deed of Lake Champlain Housing ~~Development~~ Ventures, Inc. and Richmond Village Housing Limited Partnership,

Before me: Karen Allen
Notary Public
Commission Expires : 2/10/19

State of Vermont
County of Chittenden

On the 9th day of February, 2015, personally appeared Geoffrey Urbanik duly authorized agent of the Town of Richmond, signor and sealer of this Agreement and acknowledged the same to be his/her free act and deed and the free act and deed of the Lender.

Before me: Linda M Parent
Notary Public

Commission Expires: 2-10-19

LINDA M. PARENT
Notary Public, State of Vermont
My Commission Expires Feb. 10, ~~2015~~ 2019

VCDP LOAN AGREEMENT

This Agreement is made this 9th day of March, 1999 by and between the **Town of Richmond**, a municipal corporation organized and existing under the laws of the State of Vermont, and **Richmond Village Housing Limited Partnership**, a Vermont limited partnership having its principal office in Burlington, Vermont.

1. Definitions:

   A. "Agency" means the Vermont Agency of Commerce and Community Development.

   B. "Code" means the Internal Revenue Code of 1986 and Treasury Regulations promulgated pursuant thereto, as amended from time to time, and any successor statutes and regulations thereto;

   C. "Extended Use Commitment" means the Vermont Housing Finance Agency Housing Credit (HC) Housing Subsidy Covenant granted by the Borrower to the Vermont Housing Finance Agency dated January 4, 1999 and recorded in Book 109 at Page 140 of the Richmond land records;

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

   E. "Mortgage and Security Agreement" means the Mortgage and Security Agreement executed by the Borrower and delivered to the Recipient as security for the repayment of the indebtedness evidenced by the Note.

   F. "Note" means the promissory note in the principal sum of $300,000 executed by the Borrower and delivered to the Recipient as evidence of the Borrower's indebtedness to the Recipient.

   G. "Participating Party" means any one, as applicable, of the following entities:

      i. "Borrower" means Richmond Village Housing Limited Partnership, a Vermont limited partnership having its principal place of business at 123 St. Paul Street, Burlington, VT 05401;

ii. "Recipient" means the Town of Richmond, a municipal corporation organized under the laws of the State of Vermont and having its situs in the County of Chittenden and State of Vermont.

iii. "VHCB" means the Vermont Housing and Conservation Board.

H. "Permitted Encumbrances" means the following encumbrances that do now or hereafter will encumber the Real Property:

i. the Richmond Lumber Company easement recorded in Book 18 at Page 116 of the Richmond land records;

ii. the Village of Richmond sewer easement recorded in Book 23 at Page 321 of the Richmond land records;

iii. the Green Mountain Power Corporation easement recorded in Book 26 at Page 158 of the Richmond land records;

iv. the Village of Richmond sewer easement recorded in Book 29 at Page 279 of the Richmond land records;

v. the Green Mountain Power Corporation and C.V. Telecom easement recorded in Book 98 at Page 375 of the Richmond land records.

vi. the Extended Use Commitment;

vii. the mortgage and security agreement granted by the Borrower to Vermont National Bank dated June 25, 1998 and recorded in Book 106 at Page 305 of the Richmond land records;

viii. the Housing Subsidy Covenant granted to VHCB dated June 25, 1998 and recorded in Book 106 at Page 278 of the Richmond land records;

ix. the mortgage (VHCB Loan) granted to VHCB dated June 25, 1998 and recorded in Book 106 at Page 287 of the Richmond land records;

x. the mortgage (HOME Program Loan) granted to VHCB dated June 25, 1998 and recorded in Book 106 at Page 295 of the Richmond land records; and

xi. the Right of Refusal.

I. "Project Elements" means the affordable housing project and personal property consisting of 7 building to contain 16 dwelling units to be constructed on the Project Site.

J. "Project Site" means the land on which the Project Elements will be located. The Project Site is 1.9 acres of all and the same land and premises that were conveyed by Lake Champlain Housing Development corporation to Borrower by warranty deed dated June 25, 1998 and recorded in Book 106 at Page 303 of the Richmond land records, being all of said land except 0.82 acres conveyed to Richmond Home Supply, Inc. by warranty deed recorded in Book 109 at Page 147 of the Richmond land records.

K. "Project" means the Project Elements and Project Site. The Borrower has acquired the Project Elements for use as perpetually affordable housing.

L. "Recipient" means the Town of Richmond, the local governmental entity that has received grant funds pursuant to the VCDP Grant Agreement.

M. "Recipient Activities" means those activities of the Project to be carried out by the Recipient, or an agent or agency of the Recipient, which activities are described in Attachment B of the VCDP Grant Agreement between the Agency and the Recipient.

N. "Right of Refusal" means the Right of Refusal granted by the Borrower to Burlington Community Land Trust, Inc., Housing Vermont and VHCB dated June 25, 1998 and recorded in Book 106 at Page 321 of the Richmond land records, as amended and restated.

O. "Secretary" means the Secretary of the Agency of Commerce and Community Affairs.

P. "Senior Encumbrances" means encumbrances on the Borrower's title to the Project that are senior in priority to the lien and effect of the Mortgage and Security Agreement. The Senior Encumbrances are:

   i. the Richmond Lumber Company easement recorded in Book 18 at Page 116 of the Richmond land records;

   ii. the Village of Richmond sewer easement recorded in Book 23 at Page 321 of the Richmond land records;

iii. the Green Mountain Power Corporation easement recorded in Book 26 at Page 158 of the Richmond land records;

iv. the Village of Richmond sewer easement recorded in Book 29 at Page 279 of the Richmond land records;

v. the Green Mountain Power Corporation and C.V. Telecom easement recorded in Book 98 at Page 375 of the Richmond land records.

vi. the last sentence of paragraph 5 of the Extended Use Commitment, which reads as follows: "should the Extended Use Period terminate in this fashion prior to its full term, for a three year period after such termination, no low income tenant may be evicted, for other than good cause, nor may the gross rents for low income units be increased beyond that permitted under Section 42";

vii. the mortgage and security agreement granted by the Borrower to Vermont National Bank dated June 25, 1998 and recorded in Book 106 at Page 305 of the Richmond land records; and

viii. the Housing Subsidy Covenant granted to VHCB dated June 25, 1998 and recorded in Book 106 at Page 278 of the Richmond land records.

Q. "VCDP Agency Procedures" means the regulations and procedures set forth in the Agency's procedures for the VCDP Program.

R. "VCDP Grant Agreement" means Grant Agreement dated June 9, 1998 and numbered 0069/96IG(22).

S. "VCDP Loan Agreement" means this VCDP Loan Agreement.

T. "VCDP Program" means the Vermont Community Development Block Grant Program established pursuant to Chapter 29 of Title 10 Vermont Statutes Annotated.

2. Loan:

A. Principal. The principal amount of the loan is $300,000 (the "Loan").

B. Interest. Interest shall accrue on the unpaid principal balance of the loan at the rate of 2.5% per annum.

C. Term. The term of the Loan shall be thirty (30) years.

D. Repayment. Repayment of principal and interest shall be deferred during the first fifteen (15) years of the Loan term next following the date of the execution of the Mortgage and Security Agreement. Beginning with the last day of the calendar month following the fifteenth anniversary of the date of such execution of the Mortgage and Security Agreement the Loan shall be payable in consecutive monthly installments of $2,625.37, of which amount $625.00 is in payment of the interest that will have accrued as of the date of the first installment and will have fully paid such accrued interest with the 180th payment, and $2,000.37 amortizes the $300,000 principal of the debt with interest at 2.5% thereon in 180 installments. Upon default of any of the terms and conditions of this VCDP Loan Agreement, or of any other obligation of Borrower to any Participating Party, that is not cured within any applicable grace period, the then outstanding principal balance of and all accrued interest on the Loan shall immediately become due and payable.

E. Conditions of Disbursement of Loan Funds. No disbursement of VCDP loan funds shall be made until Borrower has furnished Recipient with the following:

i. a certificate executed by the Borrower that it has secured all of the funds required under Paragraph E of Attachment B of the VCDP Grant Agreement, and

ii. an opinion from Robert A. Gensburg, counsel for Borrower, dated as of the date of the closing of the Loan, to the effect that;

a. Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Vermont and has all of the requisite power and authority to own and operate the Project and to carry on its business, and has all the requisite powers and authority to enter into this agreement;

b. to the best of his knowledge, there are no actions, proceedings or investigations pending or threatened or any basis therefor which, either in any case or in the aggregate might result in any material adverse change in the business, prospects, condition, affairs or operations of Borrower, or in any material impairment of the right or ability of Borrower to carry on its business as now conducted, and none which question the validity of this agreement or any action taken or to be taken in connection herewith or therewith;

c. the Borrower is not in violation of any term of its Limited Partnership Agreement or other rules governing the operation of the Borrower;

d. no consent, approval or authorization of any governmental authority is required in connection with the execution and delivery of this VCDP Loan Agreement other than the approval of the Agency; and

e. to the best of his knowledge and belief, after reasonable inquiries of representatives of the Borrower, Borrower has and possesses all licenses, permits, zoning approvals and consents and orders of governmental, municipal and regulatory authorities required to carry out the Project.

F. Title Insurance. Promptly after the closing Borrower shall provide Recipient with a Policy for mortgage title insurance in the full amount of the Loan, insuring that Recipient is the holder of a third mortgage lien on the Project, free of encumbrances and other exceptions to title other than the Permitted Encumbrances, and subordinate only to the Senior Encumbrances.

G. Insurance. Borrower shall obtain, pay for, and keep in full force, insurance on the property throughout the term of the loan against such risks and in such amounts and with an insurance carrier as may be reasonably acceptable to the Recipient. Such insurance policy will contain a loss payable clause acceptable to the Recipient. The Borrower will furnish the Recipient satisfactory evidence of such insurance; and

H. Compliance with Grant Agreement. Borrower shall comply with each and every provision of the VCDP Grant Agreement and its activities and requirements, which VCDP Grant Agreement is incorporated herein by reference as if fully set forth herein, including the administrative responsibilities for Project start up, Project reporting and closeout of this Project, and any provisions required by state or federal law, regulation or procedure relating to the VCDP Grant Agreement.

I. Management Services. Borrower shall enter into a Administrative Services Contract for management services for the Project. The Administrative Services Contract shall carry provisions which incorporate by reference the applicable terms and conditions of the Grant Agreement and the applicable provisions of *Sample Contract for Administrative Services* that appear in Appendix A of the 1992 VCDP Grant Management Guide published by the Agency. If said agreement is terminated, Borrower shall enter into a similar agreement with another entity acceptable to the Recipient so that management services will be provided for the Project without interruption.

J. Miscellaneous Borrower Certifications. The Borrower certifies:

i. it is in good standing with respect to the payment of any and all federal, state and local taxes;

ii. it is in full compliance with its plan to pay any and all debt financing;

iii. all state and local permits needed for the Project have been identified, and all such permits needed to commence the construction of the Development have been secured except for construction permits from the Department of Labor and Industry which cannot be secured at the time of the execution of this Agreement; and

iv. it is a limited partnership organized, existing and in good standing under the laws of the State of Vermont;

3. Closing. Execution of the loan documents shall take place on or before March 9, 1999 at the offices of the Richmond Town Clerk in the Town of Richmond or at such other time and place as the parties may agree upon.

4. Security.

A. The VCDP Loan shall be secured by a Mortgage and Security Agreement upon the Borrower's title to the Project including but not limited to the Project Site, the Project Elements, buildings, fixtures, equipment and other tangible items of personal property and other assets of the Borrower comprising the Project. The security position of the Recipient shall be subordinate only to the Senior Encumbrances.

B. The Mortgage and Security Agreement shall also contain standard provisions to protect the interest of the Recipient, including, for example, a provision that a default under any first or second mortgage shall constitute a default under the Recipient's Mortgage and Security Agreement, upon which event the unpaid principal balance and interest of the VCDP loan shall become immediately due and payable.

C. All personal property described in the mortgage shall be deemed to be fixtures and part of the real property. As to any part of such personal property not deemed fixtures, the mortgage shall constitute a Security Agreement, creating a security interest in such personal property in the Recipient under the Uniform Commercial Code. The Borrower shall cause to be recorded and filed all appropriate mortgage deeds and Uniform Commercial Code financing statements required to secure the VCDP Loan and perfect the Recipient's interest therein.

5. Fees and Expenses. Whether or not any loans are made hereunder, Borrower shall pay the out-of-pocket expenses incurred by Recipient in connection with the transaction contemplated hereunder, including but not necessarily limited to filing fees. The Recipient's costs related to general grant administration including legal fees and audit fees are to be paid from that part of the funds allocated under the Grant Agreement for General Administration PROVIDED, HOWEVER, that any costs associated with any audit not provided for in the Grant Agreement will be paid for by the Borrower.

6. Sale or Refinancing. The entire balance of the outstanding principal of the VCDP Loan shall become immediately due and payable either upon the bankruptcy, reorganization, dissolution or liquidation of the Borrower, or upon the sale, partial sale, refinancing, exchange, transfer, sale under foreclosure, or other disposition of the Project or the improvements and/or capital equipment situated thereon, except a sale, partial sale, refinancing, exchange, transfer or other disposition pursuant to the Right of Refusal upon the condition that any such transferee assumes and agrees to perform all of the Borrower's obligations hereunder, under the Note and the Mortgage and Security Agreement and under the VCDP Grant Agreement.

7. Prepayment. Prepayment may occur at any time without penalty.

8. Other Resources.

A. Borrower shall carry out all grant activities required of the Borrower in Attachment B of the VCDP Grant Agreement, and that not less than $1,396,000 in other resources has been invested in addition to the Loan in accordance with the conditions set forth in Special Conditions (Attachment A to the VCDP Grant Agreement), and in accordance with the activities as listed on the Program Budget (Attachment C to the VCDP Grant Agreement).

B. Notwithstanding paragraph 8.A above, it is understood that if the cost of the construction of the Project Elements is less than those costs budgeted at the time of this Agreement, the amounts of other resources including private equity may be less than $1,396,000. In such event, the amount of the Loan shall be reduced pro rata.

9. Compliance of Plans and Actual Construction With Grant Agreement. The approved plans and the actual construction of the Project shall comply in all respects with the terms and conditions of the VCDP Grant Agreement.

10. Completion of Project. The Borrower acknowledges that the Secretary, in selecting the Recipient for the award of this Grant, relied in material part upon the assured completion of the Project, and the Borrower assures the Recipient that such activities will be completed by the Borrower no later than December 31, 1999.

11. Assurance of Projected Number of Housing Units. Borrower will insure that the properties which comprise the Project will contain 16 dwelling units, all of which are to be used to benefit households with incomes at or below 80% of Median Income for Chittenden County. Five of the Dwelling Units shall have a home business space attached to them for the purpose of allowing the occupants of such units to develop their own businesses. Residents seeking these units must complete a business plan that they have developed with the support of an established Vermont micro-enterprise technical assistance provider.

12. Maintaining Records and Right to Inspect. During the term of the Grant Agreement, the Borrower agrees to provide necessary data and information as to private investment and low and moderate income housing relating to the VCDP Grant Agreement. Borrower shall keep and maintain books, records and other documents relating directly to the receipt and disbursement of grant funds, and any duly authorized representative of the Secretary, the Vermont Auditor of Accounts, the HUD Inspector General, or the Comptroller General of the United States shall, at all reasonable times, have access to and the right to inspect, copy, audit and

examine all such books, records and other documents of Borrower for the period of three years after the issuance of a Certificate of Program Completion by the Agency with respect to the Project.

13. Access to Project. Borrower agrees that any duly authorized representative of the Secretary or Recipient, at all reasonable times shall have access to any portion of the Project in which Borrower is involved until the completion of all closeout procedures respecting the VCDP Grant.

14. Financial Statements. Borrower shall furnish to Recipient within ninety (90) days after the end of each fiscal year of the Borrower the Borrower's balance sheet and statement of profit and loss for such year, prepared in accordance with generally accepted principles of accounting and prepared by a firm of certified public accountants acceptable to Borrower.

15. Progress and Other Financial Reports. Borrower shall furnish to Recipient on the 15th day of January and the 15th day of July of each year the Loan remains unpaid progress and financial reports in conformance with standard provisions § XVII(B) of the Grant Agreement.

16. Miscellaneous Requirements.

A. For a period of five (5) years from December in compliance with the provisions of "Change of Use of Real Property" [24 CFR 570.489(j)], timely notice shall be given to the Recipient and to the Agency should there be the anticipation of a sale of all or a portion of the Project to any person or entity who will use it for any changed purpose, or discontinuance of all or a portion of the facility, or of material alteration or expansion of its purpose or function. Al such actions shall constitute a default, in which case the Recipient shall be required to protect the funds made available through the Vermont Community Development Program in the form of requiring the Borrower to repay in full the debt evidenced by the Note to the revolving Loan Fund established in the Grant Agreement.

B. The Borrower shall maintain documentation clearly demonstrating that project activities meet HUD requirements for addressing national objectives set forth in the Agency's Procedures and at 34 CFR § 570.483. This documentation shall include a log of households who are assisted under the Grant Agreement. The log, which shall be designed to ensure client confidentiality, shall include the following data: number of family members, annual family income, gender of the head of household, race, and handicap status of the occupants of the dwelling units.

C. If the Borrower issues a press release or public communication regarding activities assisted under this VCDP Loan Agreement, it shall include a statement that the assisted project is funded in part by a grant from the Agency of Commerce and Community Development.

D. The Borrower agrees to comply with the requirements of Section XVI of the Grant Agreement and Title 21, V.S.A., Chapter 5, Subchapter 6 relating to fair employment practices; and 9 V.S.A. §§ 4503 and 4504 relating to fair housing practices, to the extent applicable.

E. The Borrower agrees that in the procurement of supplies, equipment, construction an services, the officers, employees or agents of the Borrower shall be bound by the provisions of Section 3, Chapter 30 of the Agency Procedures. In instances not governed by such section the provisions of Category 2, Chapter 45 of the Agency Procedures shall apply.

F. The Borrower agrees to comply with the requirements of the Single Audit Act of 1984 to the extent required under the Grant Agreement.

G. The Borrower shall retain financial records, supporting documents, statistical records and other records pertinent to the VCDP Grant Agreement in accordance with Section XX of the Grant Agreement and Category 2, Chapter 21 of the Agency Procedures.

17. Non-Assignment or Succession. Borrower acknowledges and agrees that no transfer of the Loan funds by the Recipient to the Borrower shall be deemed an assignment of Grant funds, and that the Borrower shall neither succeed to any rights, benefits or advantages of the Recipient under the VCDP Grant, nor plead any rights, privileges, authorities or interest in or under the VCDP Grant Agreement.

18. Secretary's Approval of Amendments. During the term of the VCDP Grant Agreement, this contract shall not be amended in any respect, after approval and acceptance by Agency, without prior written approval of the Secretary.

19. Disclaimer of Relationships. Nothing contained in the VCDP Grant Agreement or in this VCDP Loan Agreement, nor any act of the Secretary, the Recipient, or any Participating Party, shall be deemed or construed by the Borrower or the Recipient, or by any

third persons, to create any relationship of third party beneficiary, principal and agent, limited or general partnership or joint venture, or any other association or relationship involving the Secretary.

20. Limitation of Recipient Liability for Project Activities. The Recipient shall not be liable to any Participating Party other than the Agency for completion of or the failure to complete any activities which are a part of the Project, except those specified in Attachment B of the Grant Agreement. No employee, agent, consultant or officer of the Borrower shall seek or hold office or be employed by the Recipient.

21. Conflict of Interest. No employee, agent, consultant, officer or elected official or appointed official of the Recipient, or of any designated public agencies who exercise or have exercised any functions or responsibilities with respect to Recipient activities assisted under the VCDP Grant Agreement or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, sub-contract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. The above restrictions shall apply to all activities that are part of the VCDP project, and shall cover any such interest or benefit during, or at any time after, such person's tenure.

22. Project Signs. Any sign erected at the Project by the Borrower will be in compliance with any criteria which may be established by the Secretary during the term of the Project.

23. Borrower's Default and Actions by Recipient. If Borrower violates any term, condition or representation contained in the VCDP Grant Agreement, this VCDP Loan Agreement, the Note, the mortgage and security agreement or any other document delivered to Recipient by Borrower, or if Borrower defaults under the terms of any mortgage that is senior in priority to the mortgage and security agreement securing the senior mortgage, then and in that event, Recipient shall notify Borrower, and Borrower shall remedy the same within a reasonable period of time, but in no event later than thirty (30) days after the mailing of said notice by Recipient, and if the default is not so cured, Recipient shall have the right and option to do any of the following:

A. cancel this agreement by written notice to Borrower;

B. bring appropriate action to enforce such performance and correction of such defaults;

C. declare the entire amount of principal and accrued interest immediately due and payable and proceed to collect the same by such actions as are permitted under the terms of the mortgage and security agreement and the Note; and/or

D. take such other action as is provided in this Agreement, or any other action which is permitted by law, which Recipient may determine to be in Recipient's best interest.

24. Indemnification. The Borrower shall indemnify, defend and save harmless the Recipient and its officers and employees from any liabilities, claims, suits, judgments, or damages, including attorneys' fees, arising as a result of the performance of the obligations of this agreement by the Borrower except as arise from the conduct, action or non-action of the Recipient, its officers and employees. The obligation of Borrower under this provision shall continue after termination or completion of this Agreement with respect to any liabilities, claims, suits, judgments, and damages resulting from acts occurring prior to termination or completion of this Agreement.

25. Loan Agreement Survives Closing. Borrower and the Recipient agree that this VCDP Loan Agreement shall survive the closing contemplated hereunder, and that each and every one of the obligations and undertakings of the Borrower set forth in this VCDP Loan Agreement shall be continuing obligations and undertakings and shall not cease or terminate until the entire loan is paid in full.

26. Waiver. Neither the failure or any delay on the part of the Recipient to exercise any rights, power or privilege hereunder shall operate as a waiver hereof. Nor shall any single or partial exercise of any such right, power, or privileges preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

27. Benefit. This Agreement shall be binding upon and inure to the benefit of the Recipient and the Borrower and their respective successors and assigns.

28. Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont and the laws of the United States of America, where applicable.

29. Approval of Secretary. This agreement is subject to approval by the Secretary and performance hereunder is suspended until such approval.

IN WITNESS WHEREOF the Recipient and the Borrower have executed this VCDP Loan Agreement this 9th day of March, 1999.

Town of Richmond

Witness

By: Authorized Agent

Richmond Village Housing Limited Partnership

Witness

By: Kathleen D. Cannon
Authorized Agent

STATE OF VERMONT:
CHITTENDEN COUNTY, ss.

At Richmond this 9th day of March, 1999, ELLEN GURWITZ AYRES of the Town of Richmond appeared and acknowledged the foregoing VCDP Loan Agreement by her/him subscribed to be her/his free act and deed and the free act and deed of the Town of Richmond,

before me, Notary Public

STATE OF VERMONT:
CHITTENDEN COUNTY, ss.

At Richmond this 9th day of March, 1999 Kathleen D. Cannon, agent for Richmond Village Housing Limited Partnership appeared and acknowledged the foregoing VCDP Loan Agreement by her subscribed to be her free act and deed and the free act and deed of Richmond Village Housing Limited Partnership,

before me, Notary Public