RESOLUTION

AUTHORIZING AN AGREEMENT TO RESTRUCTURE THE DEBT OF CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP

CITY OF NASHUA

In the Year Two Thousand and Eleven

BE IT RESOLVED by the Board of Aldermen of the City of Nashua that:

WHEREAS the city is the holder of two promissory notes, as amended, made by Clocktower Housing Associates Limited Partnership ("Clocktower"), including one in the original principal amount of $10,944,072.02 and one in the original principal amount of $6,259,267 (the "Notes"); and

WHEREAS the Notes are secured by a housing development grant ("HDG") mortgage, dated September 20, 1989, recorded at the Hillsborough County Registry of Deeds at Book 5169, Page 206, amended on February 9, 1990 and recorded at Book 5169, Page 225, and further amended on December 14, 1995 and recorded at 5685, Page 696 (collectively, the "HDG Mortgage"); and

WHEREAS the HDG Mortgage is recorded in third priority position behind other mortgage security totaling $16,125,000, and Clocktower has the opportunity to refinance and restructure that debt with a new lender provided that (i) the new lender holds a first priority position mortgage for approximately $8,900,000; and (ii) the HDG Mortgage is subordinated to take a second priority position and the term for repayment of the notes is extended an additional 14 years.

NOW THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the mayor is authorized to execute the attached "Agreement Regarding HDG Construction Loan Note" to extend the term for repayment and of the Notes and subordinate the HDG Mortgage to Clocktower’s new lender.
RESOLUTION: R-11-145

PURPOSE: Authorizing an agreement to restructure the debt of Clocktower Housing Associates Limited Partnership

ENDORSER(S): Mayor Donnalee Lozeau

COMMITTEE ASSIGNMENT:

FISCAL NOTE: Upon the close of the debt restructuring transaction, the City of Nashua will move from third priority to second priority position by agreeing to extend the term for repayment by an additional 14 years. The City will also receive at least $319,444 at the time of the refinancing.

ANALYSIS

Clocktower Housing Associates Limited Partnership owes money to the City of Nashua lent to it primarily from Housing development Grant funds. The city has a mortgage securing that debt, but it is the third lien on the property. Clocktower has an opportunity to refinance that senior debt, but needs the city to extend the terms of its notes and accept a second secured position. The city will also receive a payment of at least $319,444 at the time of the refinancing. A memorandum from Clocktower’s attorney outlining the transaction is attached to this resolution.

Approved as to form: Office of Corporation Counsel
By: [Signature]
Date: September 8, 2011
MEMORANDUM

To: Dorothy Clarke, Esq.
From: Andrew A. Prolman, Esq.
Date: August 17, 2011
Re: Clocktower Place Phase II Refinance

Please accept this short summary of the Clocktower refinance proposal. In essence, Clocktower has the opportunity to simultaneously reduce its outstanding debt, improve its cash flow for itself and the City, and improve the City’s position on the Mortgage it holds on Clocktower Place.

The existing debt on Clocktower Place, Phase II is:

1st Mortgage: $5,125,000 CW Capital, LLC
2nd Mortgage: $11,000,000 PAMI Mid-Atlantic, LLC
3rd Mortgage: $10,944,000 City of Nashua

Payment on the 2nd and 3rd Mortgages are only made from “surplus” cash after payment of the first mortgage and costs associated with the property. Payments to the City have been nominal - $10,000 to $25,000 annually.

The proposal is for a new HUD insured loan from Eastern Mortgage Capital for approximately $8,860,000. The new loan would (1) pay off the 1st and 2nd Mortgages; (2) pay the City approximately $319,000; (3) increase cash flow to both Clocktower and to the City on its Mortgage, (4) preserve the 55 units at Clocktower for low income tenants; and (5) move the City’s Mortgage into second position behind less debt as follows:

1st Mortgage: $8,860,000 Eastern Mortgage Capital
2nd Mortgage: $10,944,000 City of Nashua
To accomplish this refinance opportunity, we are requesting the City agree to the attached documents. The heart of the agreement is that the City would need to subordinate its current Mortgage to the new loan, provided the City’s Mortgage moves up to second priority position.

Please call with any questions. Thank you.

Attachments:

1. Agreement Regarding HDG Construction Loan Note
2. Exhibit A – Second Amendment to HDG Construction Loan Note
3. Exhibit B – Third Amendment to HDG Construction Loan Mortgage
4. Exhibit C – Net Proceeds analysis
5. Exhibit D – First Amendment to Development Note
AGREEMENT REGARDING
HDG CONSTRUCTION LOAN NOTE

This Agreement Regarding HDG Construction Loan Note ("Agreement") is made this
_______ day of __________, 2011 between City of Nashua, a New Hampshire
municipal corporation with an address of 229 Main Street, Nashua, New Hampshire 03060 (the
"City") and Clocktower Housing Associates Limited Partnership, a New Hampshire limited
partnership with an address of P.O. Box 51037, Boston, Massachusetts 02205 ("Clocktower").

RECITALS

A. The City is the holder of the November 20, 1989 HDG Construction Loan Note,
made by Clocktower, in the original principal amount of $10,944,072.02, as amended by the
First Amendment to HDG Construction Loan Note, dated February 9, 1990 (the "HDG Note");

B. The City's HDG Note is secured by Clocktower's HDG Construction Loan
Mortgage, dated September 20, 1989, and recorded at the Hillsborough County Registry of
Deeds at Book 5169, Page 206, and as amended by First Amendment to HDG Construction Loan
Mortgage, dated February 9, 1990, and recorded at the Hillsborough County Registry of Deeds at
Book 5169, Page 225, as further amended by the Second Amendment to HDG Construction
Loan Mortgage, dated December 14, 1995, and recorded at the Hillsborough County Registry of
Deeds at Book 5685, Page 696 (collectively, the "HDG Mortgage");

C. The HDG Mortgage also secures the Development Note in the original principal
amount of $6,259,267 as further described in Section 6, below.

D. The HDG Mortgage is recorded in third priority position behind: (1) Clocktower's
first mortgage to CW Capital, LLC in the approximate amount of $5,125,000 as of December 31,
2010; and (2) Clocktower’s second mortgage to PAMI Mid-Atlantic, LLC in the approximate amount of $11,000,000 including principal and accrued interest as of December 31, 2010.

E. Clocktower currently has the opportunity to refinance and restructure its debt with Eastern Mortgage Capital ("New Lender") through the FHA’s 223(f) Mortgage Insurance program, provided (i) the New Lender holds a first priority position mortgage for approximately $8,900,000; and (ii) certain modifications are made to the HDG Note and HDG Mortgage.

F. Clocktower’s refinancing is intended to payoff CW Capital, LLC and PAMI Mid-Atlantic, LLC, and move the City’s HDG Mortgage into a second priority position behind the new Lender’s first mortgage.

G. Clocktower has requested and the City has agreed to assist in Clocktower’s refinance as set forth below.

NOW THEREFORE, in consideration of the sum of ten ($10) dollars, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **HDG Note Balance.** Clocktower certifies that as of December 31, 2010, the outstanding balance of principal and accrued interest of the HDG Note is $12,829,693.00.

2. **Conditional Agreement.** The City’s obligations under this Agreement are subject to approval of the Clocktower refinance by other parties including but not limited to the US Department of Housing and Urban Development, CW Capital, LLC, PAMI Mid-Atlantic, LLC, and the New Lender. The City shall have no obligation to act in accordance with this Agreement unless and until Clocktower’s refinance is approved.

3. **HDG Note Modifications.** The City agrees it will modify the HDG Note payment schedule required by the refinance. Attached as Exhibit A is the proposed Second Amendment
to HDG Construction Loan Note, which Clocktower shall deliver and the City shall accept upon
Clocktower’s closing with the New Lender. Attached as Exhibit A-1 is a subordination
agreement in a form substantially similar to the one contemplated by the proposed Second
Amendment to HDG Construction Loan Note.

4. **HDG Mortgage Subordination.** The City agrees to (i) subordinate the HDG
Mortgage and all other security of the HDG Note to the New Lender and any future new lender,
provided the City will be in a second priority position after subordination; and (ii) extend the
term of the HDG Mortgage approximately thirteen (13) years such that the HDG Mortgage is co-
terminous with the New Lender’s mortgage. Attached as Exhibit B is the proposed Third
Amendment to HDG Construction Loan Mortgage which Clocktower and the City shall accept
upon Clocktower’s closing with the New Lender. The City and Clocktower acknowledge that
HUD, the FHA, and/or the New Lender shall have additional documents to execute with closing
to secure the respective positions described in this Agreement, and the parties agree to cooperate
to secure the terms of this Agreement and Clocktower’s new loan.

5. **Payment to City.** In consideration of the City’s assistance and cooperation with
Clocktower’s refinance as described in this Agreement, Clocktower shall pay the City ten (10%)
percent of the refinance as defined in Section 3(b) of the Agreement Regarding Loan between
Clocktower and PAMI Mid-Atlantic, LLC (attached as Exhibit C, including an amendment
extending the terms of that agreement), but in no case less than $319,444 due at the closing of
the refinance. An estimated statement of net proceeds from Clocktower’s proposed refinance is
attached as Exhibit C-1.

6. **Amendment of Development Note.** Warner Services, Inc., a Massachusetts
corporation, as a General Partner of Clocktower earned a development fee for the Clocktower
project, reflected in a Promissory Note from Clocktower to Warner Services, Inc., dated August 1, 1991, in the original principal amount of $6,259,267.00 ("Development Note"). On December 14, 1995, Clocktower assigned the Development Note to the City as reflected in the Second Amendment to HDG Construction Loan Mortgage. The parties now agree to amend the Development Note to (1) extend the maturity date to be co-terminous with the New Lender’s Mortgage; and (2) principal and interest payments on the Development Note shall be paid after the HDG Note is paid in full. Attached as Exhibit D is the Amendment to the Development Note.

7. **City’s Legal Fees.** Clocktower shall pay the city’s legal fees and costs associated with this Agreement, to a maximum of $5,000.

8. **Annual Audit.** The City shall have the right to engage the New Hampshire Housing Finance Authority ("NHHFA") to review the annual audit Clocktower provides to the City. That review is intended to ensure that the surplus cash payment to the City is appropriately calculated. Clocktower shall pay up to Four Thousand ($4,000) Dollars to the NHHFA to cover the actual cost of that review.
CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership

By: __________________________
   Edward W. Brice, Jr.
   General Partner

WARNER SERVICES, INC., a Massachusetts corporation, General Partner

By: __________________________
   Edward W. Brice, Jr.
   President

CITY OF NASHUA

__________________________, 2011

Donnalee Lozeau, Mayor
SECOND AMENDMENT TO HDG CONSTRUCTION LOAN NOTE

This Second Amendment to HDG Construction Loan Note (the "Second Amendment") is entered into as of the ______ day of ______________________, 2011, by and between The City of Nashua, a municipal corporation under the laws of the State of New Hampshire, 229 Main Street, Nashua, New Hampshire (the "Lender") and Clocktower Housing Associates Limited Partnership, a New Hampshire limited partnership, P.O. Box 51037, Boston, Massachusetts 02205 (the "Borrower").

RECITALS

1. The parties entered into an HDG Construction Loan Note dated as of November 20, 1989 for $10,944,072 for the development of the Clocktower Place Apartments, Phase II (the "HDG Note").

2. The parties amended the HDG Note by First Amendment to HDG Construction Loan Note dated as of February 9, 1990 (the "First Amendment") to accommodate certain modifications to said Note as requested by The United States Department of Housing and Urban Development ("HUD").

3. The HDG Note is secured by the HDG Construction Loan Mortgage, (Hillsborough County Registry of Deeds Book 5169, Page 206), as amended by First Amendment (Hillsborough County Registry of Deeds Book 5169, Page 225) and Second Amendment (Hillsborough County Registry of Deeds Book 5685, Page 696) (collectively, the "HDG Mortgage"). Contemporaneously with this Second Amendment to HDG Loan Note, the
parties have entered into the Third Amendment to HDG Construction Loan Mortgage, to be recorded at the Hillsborough County Registry of Deeds.

4. The HDG Construction Mortgage is currently in third priority mortgage position on the subject property behind CW Capital, LLC (HCRD Book 5798, Page 1376) and PAMI Mid-Atlantic, LLC/CW Capital, LLC (HCRD Book 6859, Page 2761).

5. In order to accommodate the refinance of the prior mortgages, Borrower has requested and Lender has agreed to make certain modifications to the HDG Construction Loan Note.

AMENDMENT

Accordingly, it is agreed as follows:

1. The HDG Construction Loan Note, as amended below, shall remain secured by (i) the HDG Mortgage, and (ii) the HDG Construction Loan Security Agreement, as amended.

2. Subsections (d) and (e) of the Third Paragraph of the HDG Construction Loan Note, as amended by Paragraph 3 of the First Amendment, are deleted in its entirety and replaced with the following:

   d) Beginning June 30, 2012 and on or before June 30, of each year thereafter up to and including June 30, 2046, payments shall be fifty (50%) percent of surplus cash as defined in the Regulatory Agreement dated February 14, 1990 (Hillsborough County Registry of Deeds Book 5169, Page 1362). Payment shall be applied first to current interest, second to accrued interest, then third to principal. The restriction of payment imposed by this paragraph shall not excuse any default caused by the failure of the Borrower to pay the indebtedness evidenced by this Note.

   e) The entire outstanding principal amount and any accrued and unpaid interest shall be due and payable on ____, 2046, co-terminous with the Eastern Mortgage Capital Loan.
3. The HDG Construction Loan Note is amended to add a new paragraph, on Page 4, inserted after the second paragraph as follows:

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Multifamily Note of even date herewith in the original principal amount of [$8,817,277.00] issued by CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership and payable to EASTERN MORTGAGE CAPITAL ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination Agreement of even date herewith between the payee of this Note, and the Senior Lender and CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership (the "Subordination Agreement"). The Mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Multifamily Mortgage securing the Multifamily Note as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement.

4. Except to the extent modified herein, the terms of the HDG Construction Loan Note continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to HDG Construction Loan Note to be executed by their duly authorized officers as of the day and year first written above.

Signed in the presence of

Witness

Donnalee Lozeau

The City of Nashua

Mayor
Witness

Edward W. Brice, Jr.
General Partner

Witness

Edward W. Brice, Jr.
President
The City of Nashua, a municipal corporation under the laws of the State of New Hampshire, 229 Main Street, Nashua, NH (the “Mortgagee”), present holder(s) of a HDG Construction Loan Mortgage (and interests in other mortgage related documents as further described on Exhibit A attached hereto and made a part hereof) (“HDG Mortgage”) on the property located at __________________________, Nashua, NH and known as Clocktower Place Phase II Project (“Premises”) (Exhibit B Legal Description attached hereto) from Clocktower Housing Associates Limited Partnership (the “Mortgagor”) to the Mortgagee dated November 20, 1989 and recorded with the Hillsborough County Registry of Deeds in Book 5169, Page 206, as amended by the First Amendment to Mortgage dated February 9, 1990, recorded with said Registry of Deeds in Book 5169, Page 225, as further amended by the Second Amendment to Mortgage dated December 14, 1995 and recorded at the Hillsborough County Registry of Deeds in Book 5685, Page 696 and as further amended by Third Amendment to HDG Construction Loan Mortgage dated of even date herewith and recorded with the Hillsborough County Registry of Deeds herewith, for consideration paid, hereby subordinate the lien of the HDG Mortgage and all amendments thereto as referenced herein and the other mortgage related documents appearing on Exhibit A attached hereto and made a part hereof and the obligations secured thereby to a mortgage covering the Premises given by Mortgagor to Eastern Mortgage Capital, its successors and assigns, dated as of ________________, 2011, securing the principal amount of $8,817,277.00 (“New Mortgage”) to be recorded herewith to the same extent as if the New Mortgage had been executed and recorded before the execution and recording of the HDG Mortgage and all amendments thereto and the other mortgage related documents appearing on Exhibit A attached hereto and made a part hereof.

IN WITNESS WHEREOF, The City of Nashua acting by and through the Mayor of the The City of Nashua has caused this instrument to be executed as of the ____________day of ____________, 2011.

The City of Nashua

By: __________________________

Donna Lee Lozeau, Mayor

State of New Hampshire: ss
County of Hillsborough

Before me, a Notary Public in and for the said County and State of New Hampshire, personally appeared Donna Lee Lozeau, known to me and to be the person who, as the duly Authorized Official of The City of Nashua, who executed the foregoing Subordination of Mortgage and Related Mortgage Documents by virtue of the authority vested in her as such authorized agent, and he/she acknowledged to me that she did sign said Subordination of Mortgage and Related Mortgage Documents on behalf of The City of Nashua as such Authorized Official for the purposes therein contained.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and official seal in said County, State of New Hampshire, this ______________ day of ____________, 2011.

__________________________
Notary Public

My Commission Expires: __________________________
THIRD AMENDMENT
TO
HDG CONSTRUCTION LOAN MORTGAGE

This Third Amendment to HDG Construction Loan Mortgage (the “Third Amendment”) is entered into as of the ______ day of ______________________, 2011, by and between The City of Nashua, a municipal corporation under the laws of the State of New Hampshire, 229 Main Street, Nashua, New Hampshire (the “Mortgagee”) and Clocktower Housing Associates Limited Partnership, a New Hampshire limited partnership, P.O. Box 51037, Boston, Massachusetts 02205 (the “Mortgagor”).

RECITALS:

1. The Mortgagee received a Housing Development Grant (“HDG”) from the United States Department of Housing and Urban Development (“HUD”), pursuant to Section 17 of the U.S. Housing Act of 1937 and the HDG regulations promulgated thereunder and contained in 24 Code of Federal Regulations Part 850 for the purpose of assisting the development of the Clocktower Place, Phase II Project.
2. The Mortgagee and HUD have entered into a Grant Agreement for the Project Number NH-002-HG-701, setting forth the terms of the HDG, which terms include the grant of a mortgage from the Mortgagor to the Lender. Said Grant Agreement is incorporated herein by reference.

3. The Mortgagor executed the HDG Construction Loan Mortgage dated as of November 20, 1989 recorded in the Hillsborough County Registry of Deeds in Book 5169, Page 206, as amended by the First Amendment to HDG Construction Loan Mortgage dated February 9, 1990, recorded with said Registry of Deeds in Book 5169, Page 225, and as further amended by the Second Amendment to HDG Construction Loan Mortgage dated December 14, 1995 and recorded at the Hillsborough County Registry of Deeds at Book 5685, Page 696 (as amended, the “HDG Construction Loan Mortgage”).

4. The HDG Construction Loan Mortgage is currently in third priority mortgage position on the subject property behind CW Capital, LLC (HCRD Book 5798, Page 1376) and PAMI Mid-Atlantic, LLC/CW Capital, LLC (HCRD Book 6859, Page 2761).

5. Mortgagor has an opportunity to refinance the priority debt through Eastern Mortgage Capital, provided certain amendments are made to the HDG Construction Loan Mortgage.

6. Mortgagor has requested and Mortgagee has agreed to amend the HDG Construction Loan in accordance with this Third Amendment to accommodate Mortgagor’s refinancing of the existing debt.

7. Terms not otherwise defined in this Third Amendment have the same meaning as in the HDG Construction Loan Mortgage.
AMENDMENTS:

Accordingly, it is agreed as follows:

1. The HDG Construction Loan Mortgage, as amended hereby shall secure the performance of all of the Mortgagor’s obligations under (i) the HDG Construction Loan Note, as amended by that certain First Amendment to HDG Construction Loan Note dated as of February 9, 1990, and the Second Amendment to HDG Construction Loan Note, dated ______________, 2011, (ii) the existing Owner/Grantee Agreement, as amended by the First Amendment to Owner/Grantee Agreement dated as of February 9, 1990, and (iii) the existing Agreement of Housing Development Grant Restrictions and Covenants between the Mortgagor and the Mortgagee dated September 13, 1989 and recorded in the Hillsborough County Registry of Deeds in Book 5134, Page 1839.

2. In the Second Amendment to HDG Construction Loan Mortgage, Paragraph 5 of the Recitals, and Paragraph 1, Page 1, subparagraph (ii) of said Mortgage (as stated in the Second Amendment, Section 2) are deleted in their entirety. The Mortgagor’s obligations to the Mortgagee under the referenced August 1, 1991 Development Note as endorsed to the Mortgagee on December 14, 1995, is terminated and not secured by the HDG Construction Loan Mortgage.

3. This HDG Construction Loan Mortgage shall be subordinated to Eastern Mortgage Capital’s mortgage and other loan security documents, pursuant to the Subordination Agreement executed and recorded contemporaneously to this Third Amendment.

4. The term of the HDG Construction Loan Mortgage is extended to ______________, 2046, to be con-terminous with the Eastern Mortgage Capital’s mortgage and other security loan documents.
5. Except to the extent modified herein, the terms of the HDG Construction Loan Mortgage shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be executed by their duly authorized officers as of the day and year first written above.

Signed in the presence of

The City of Nashua

Witness

Donnalee Lozeau
Mayor
Clocktower Housing Associates, Limited Partnership, a New Hampshire limited partnership

Witness

Edward W. Brice, Jr.
General Partner

Warner Services, Inc., a Massachusetts corporation, General Partner

Witness

Edward W. Brice, Jr.
President

STATE OF NEW HAMPSHIRE
HILLSBOROUGH COUNTY

On this date, appeared before me the above-named Donnalee Lozeau, Mayor of The City of Nashua, who executed the foregoing instrument on behalf of The City of Nashua, New Hampshire and acknowledged the same to be her free act and deed and the free act and deed of the said City of Nashua, New Hampshire.

Notary Public
My Commission Expires:
COMMONWEALTH OF MASSACHUSETTS
SUFFOLK, SS. _________________________, 2011

On this date, appeared before me the above-named Edward W. Brice, Jr., General Partner of Clocktower Housing Associates Limited Partnership, who executed the foregoing instrument on behalf of the said limited partnership and said corporation and acknowledged the same to be his free act and deed and the free act and deed of the said corporation and limited partnership.

_________________________  
Notary Public
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS
SUFFOLK, SS. _________________________, 2011

On this date, appeared before me the above-named Edward W. Brice, Jr., President of Warner Services, Inc., General Partner of Clocktower Housing Associates Limited Partnership, who executed the foregoing instrument on behalf of the said limited partnership and said corporation and acknowledged the same to be his free act and deed and the free act and deed of the said corporation and limited partnership.

_________________________  
Notary Public
My Commission Expires:
AGREEMENT REGARDING LOAN

This AGREEMENT REGARDING LOAN (this "Agreement") dated as of the 10th day of March, 2011 between CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership, with an address at P.O. Box 51037, Boston, Massachusetts 02205 ("Borrower"). PAMI MID-ATLANTIC LLC, a Delaware limited liability company, having an address at 1271 Avenue of the Americas, 38th Floor, New York, New York 10020 ("PAMI"), and CWCAPITAL LLC, a Massachusetts limited liability company, successor by merger to Continental Wingate Associates, Inc. ("CWCapital").

WITNESSETH:

WHEREAS, PAMI is the holder of (i) that certain Second Mortgage Note, executed by Borrower to the order of the Secretary of Housing and Urban Development ("HUD") in the original principal amount of $6,385,325.39, dated as of March 1, 1997, evidencing a loan (the "Second Mortgage Loan") made to Borrower (such note, the "Second Mortgage Note"), and (ii) certain UCC Financing Statements relating to the indebtedness evidenced by the Second Mortgage Note; and

WHEREAS, the Second Mortgage Note is secured by, among other things, a Second Mortgage, dated as of March 1, 1997, from Borrower to HUD, recorded in Book 5798, page 1397, Hillsborough County, New Hampshire records (the "Second Mortgage"; the documents evidencing and/or securing the Second Mortgage Loan, collectively, the "Second Mortgage Loan Documents"), which is now held by PAMI, which Second Mortgage encumbers certain real property (the "Property") located in Hillsborough County, New Hampshire; and

WHEREAS, pursuant to the provisions of that certain Agreement Regarding Co-Insurance Partial Claim, dated as of March 1, 1997, by and between CWCapital and HUD (the "Agreement Regarding Co-Insurance"), certain rights to payments with respect to the indebtedness evidenced by the Second Mortgage Note are held by CWCapital; and

WHEREAS, CWCapital is also the holder of the first mortgage loan (the "First Mortgage Loan") secured by the Property, which First Mortgage Loan is secured by a certain Mortgage Note, dated February 14, 1990, made by Borrower to the order of CWCapital in the original principal face amount of $12,510,000.00 (as amended, the "First Mortgage Note"), and that certain Mortgage (the "First Mortgage"), from Borrower to CWCapital, dated February 14, 1990 and recorded in Book 5169, page 155, Hillsborough County, New Hampshire records, which First Mortgage encumbers the Property; and

WHEREAS, Borrower has requested and CWCapital and PAMI (collectively, the "Lenders") have agreed that Borrower may, on or before the Termination Date (as defined herein), pay to Lenders or cause its assignee or designee (the purchaser of the loan, the "Loan Purchaser") to pay to Lenders the Loan Purchase Price (as defined herein) in consideration of the transfer of all of the Lenders' rights, titles and interests in and to the Second Mortgage Loan Documents to the Purchaser, notwithstanding that the Loan Purchase Price is less than the
aggregate outstanding balance of the Second Mortgage Loan, subject in all respects to the satisfaction of the conditions hereinafter set forth and compliance with the terms and provisions of this Agreement, as more particularly hereinafter provided; and

WHEREAS, the parties desire to enter into this Agreement to memorialize the parties' agreement.

NOW, THEREFORE, in consideration of the sum of Ten ($10.00) Dollars, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Second Mortgage Loan Balance. Borrower hereby certifies, covenants and agrees that, as of February 25, 2011, the outstanding principal balance of the Second Mortgage Loan is $6,385,325.39, and accrued and unpaid interest on the Second Mortgage Loan as of December 31, 2010 is $4,636,474.63, which amounts total $11,021,800.02 in the aggregate (the "Aggregate Balance").

2. Loan Purchase Price.

   (a) It is anticipated that, prior to the Termination Date, Borrower will obtain a new Section 223(f) HUD loan (the "New First Mortgage Loan", and the lender making such loan, the "New First Mortgage Lender") for the purpose of refinancing the First Mortgage Loan. The gross principal amount of the New First Mortgage Loan shall be referred to herein as the "New First Mortgage Loan Amount." In connection with and simultaneously with the closing of the New First Mortgage Loan and the refinancing of the First Mortgage Loan prior to the Termination Date (as defined herein), Borrower shall cause Loan Purchaser to purchase the Second Mortgage Loan Documents for the Loan Purchase Price (as defined below).

   (b) The "Loan Purchase Price" payable to the Lenders shall be equal to ninety percent (90%) of (1) the New First Mortgage Loan Amount, less (2) the balance of principal, interest and other amounts outstanding under the First Mortgage Note and repaid with the proceeds of the New First Mortgage Loan, less (3) the Transaction Costs, as defined herein; provided, however, that in no event shall the Loan Purchase Price be less than Two Million Eight Hundred Seventy Five Thousand and No/100 Dollars ($2,875,000.00). The Loan Purchase Price shall be paid by wire transfer of immediately available federal funds in accordance with wiring instructions provided by CWCapital. To the extent in excess of replacement reserves and escrows required by the holder of the New First Mortgage Loan, existing reserves and escrows held by CWCapital shall be applied to the balance of the First Mortgage Loan, or added to the Loan Purchase Price and retained by Lenders.

   (c) The "Transaction Costs" shall be an amount equal to the lesser of (i) the sum of Five Hundred Thousand and No/100 Dollars ($500,000.00), and (ii) all reasonable and necessary out of pocket expenses paid to third parties who are not affiliates of Borrower or any party owning any direct or indirect interest in Borrower, incurred in connection with (1) the closing of the New First Mortgage Loan (including, without limitation, application fees, third party reports required by the holder of the New First Mortgage Loan, environmental analysis and cleanup, if any, title and survey costs, reasonable attorney's fees and expenses, financing and
lender correspondent fees not to exceed, in the aggregate, two percent (2.0%) of the New First Mortgage Loan Amount and a consulting or advisory fee payable to Fantini & Gorga in an amount not to exceed $25,000), (2) the negotiation of this Agreement and the consummation of the purchase of the Second Mortgage Loan Documents (excluding the Loan Purchase Price), including, without limitation, reasonable attorney's fees and expenses, and (3) the amendment of third mortgage financing secured by the Property (the "Third Mortgage Loan") held by the City of Nashua, New Hampshire (the "City"), including, without limitation, reasonable attorney's fees and expenses. Transaction Costs shall exclude any repairs required to be made or for which any funds are required to be deposited by the holder of the New First Mortgage Loan.

(d) By accepting the Loan Purchase Price in consideration of the transfer of the Second Mortgage Loan Documents as described herein, Lenders are agreeing to a discount in the maximum amount of $8,061,725.80 (assuming a Loan Purchase Price of $2,875,000.00), plus interest accrued on the Second Mortgage Loan on or after February 11, 2011, minus any payments made on account of the Second Mortgage Loan on or after February 11, 2011 (the "Discount"). From and after the Termination Date or upon the occurrence of any Default (hereinafter defined) under the terms of this Agreement, the provisions of this Agreement (other than as expressly set forth herein) shall be of no further force or effect, and Borrower shall have no further right to cause the purchase of the Second Mortgage Loan Documents for the Loan Purchase Price.

(e) Payments made to the Lenders on account of the Second Mortgage Loan prior to the closing of the New First Mortgage Loan and payment of the Loan Purchase Price in accordance with Section 2(b), above, shall not be applied to, and shall not reduce the amount of, the Loan Purchase Price.

(f) The Loan Purchase Price shall be paid to CWCapital in accordance with Section 2(a) of Agreement Regarding Co-Insurance. Lenders acknowledge and agree that CWCapital shall (i) immediately remit to PAMI by wire transfer eighty percent (80%) of all amounts received by CWCapital on account of the Loan Purchase Price as full and final payment of all amounts due to PAMI with respect to the sale of the Second Mortgage Loan and (ii) retain for its own account the remaining twenty percent (20%) of all amounts so received by CWCapital as full and final payment of all amounts due to CWCapital with respect to the sale of the Second Mortgage Loan, under the Agreement Regarding Co-Insurance or otherwise.

3. Conditions. The right of Borrower to cause the Loan Purchaser to purchase the Second Mortgage Loan Documents for the Loan Purchase Price, and Lenders' obligation to accept the Loan Purchase Price for the Second Mortgage Loan Documents, are subject to the satisfaction of each of the following conditions, or the waiver thereof by both Lenders in writing:

(a) If required, approval of the transactions contemplated herein by the United States Bankruptcy Court for the Southern District of New York, in the Chapter 11 Bankruptcy Case of Lehman Brothers Holdings Inc., et al., Case No. 08-13555 (JMP);

(b) Approval of the transactions contemplated herein by the City within ninety (90) days after the date of this Agreement, and agreement by the City to subordinate the Third
Mortgage Loan to the New First Mortgage Loan, in consideration for the payment to the City of ten percent (10%) of an amount equal to (1) the New First Mortgage Loan Amount, less (2) the balance of principal, interest and other amounts outstanding under the First Mortgage Note and repaid with the proceeds of the New First Mortgage Loan, less (3) the Transaction Costs, not to exceed $500,000.00. No other compensation will be paid to the City in connection with the closing of the New First Mortgage Loan, or in consideration of the subordination of the Third Mortgage Loan to the New First Mortgage Loan, at or prior to the closing or at any time thereafter, provided that such restriction shall not apply to payments of property revenues in accordance with and as required under the documents evidencing and securing the Third Mortgage Loan. If the conditions set forth in this Section 3(b) have not been satisfied on or before the expiration of ninety (90) days after the date of this Agreement, (i) unless either Lender exercises its right to terminate pursuant to clause (ii) below, Lenders may, acting together at their option and in their sole discretion, extend the deadline for the condition described in the subsection, or (ii) either Lender may, at its option, in its sole discretion, terminate this Agreement by written notice to Borrower, whereupon (1) the rights of Borrower and obligations of Lenders under this Agreement shall automatically terminate, and (2) Lenders' and Borrower's respective rights and obligations with respect to the Second Mortgage Loan shall be governed strictly in accordance with the terms of the Second Mortgage Loan Documents without regard to this Agreement, except for those provisions herein that by their terms survive expiration or termination of this Agreement.

(c) The closing and funding all proceeds of the New First Mortgage Loan, and the payment and satisfaction in full of all amounts outstanding under the First Mortgage Loan, including, without limitation, all principal, interest (including regular, deferred and additional interest, if any) and other amounts payable thereunder at maturity or otherwise in exchange for a release and discharge of the First Mortgage Loan;

(d) The receipt by CWCapital of the Loan Purchase Price in full and in immediately available funds not later than the Termination Date, disbursement thereof in accordance with Section 2(f), above, and actual receipt by PAMI, in accordance with wire instructions provided by PAMI, the full amount required to be remitted to PAMI in accordance with Section 2(f), above;

(e) No default under the Second Mortgage Loan Documents shall exist as of the Closing Date (as defined herein), including, without limitation, the payment in full of all interest and other amounts payable thereunder as of such date;

(f) The truth and accuracy of all representations and warranties contained herein on the Closing Date; and

(g) The delivery to CWCapital by PAMI of the original allonge described in Paragraph 4, below (it being acknowledged that CWCapital has the original Second Mortgage Note in its possession), and the delivery to CWCapital by Borrower of a copy of the title insurance commitment obtained for the New First Mortgage Loan, indicating that PAMI is the holder of the Second Mortgage of record.
4. **Transfer Documents: Closing Deliveries.**

(a) Upon CWCapital's receipt of the Loan Purchase Price and disbursement thereof in accordance with Section 2(f), above, provided that (i) the Loan Purchase Price is received by CWCapital in immediately available funds on or before the Termination Date, time being of the essence, (ii) each of the conditions set forth in Section 3, above are satisfied, (iii) Borrower provides Lenders with at least three (3) business days advance written notice of the date on which the Purchase Price will be delivered (the "Closing Date"), and (iv) Borrower delivers to Lenders each of the items required to be delivered pursuant to Section 4(b), below, PAMI shall (x) deliver to Purchaser an Allonge and an Assignment of Mortgage in the forms attached to this Agreement as Exhibit A and (y) authorize Loan Purchaser to file UCC-3 financing statement assignments in the appropriate filing offices. The Loan Purchaser or Borrower shall pay all transfer fees, documentary transfer or stamp taxes and other costs and expenses incurred or required to be paid in connection with filing or recording such documentation.

(b) At the closing, Borrower and Loan Purchaser shall deliver to Lenders an opinion of counsel with respect to the enforceability against Borrower of this Agreement and against the Loan Purchaser of the closing documents, and such documents as may be reasonably required by Lenders, authorizing Borrower and the Loan Purchaser to consummate the purchase of the Second Mortgage Loan Documents in accordance with this Agreement, and designating those persons authorized to execute and deliver all necessary documents at closing.

5. **No Defenses: Representation Regarding Third Mortgage Loan.** Borrower hereby acknowledges and agrees that as of the date hereof Borrower has no defenses, claims or setoffs with regard to the enforceability against Borrower of this Agreement and against the Loan Purchaser of the closing documents, and such documents as may be reasonably required by Lenders, authorizing Borrower and the Loan Purchaser to consummate the purchase of the Second Mortgage Loan Documents in accordance with this Agreement, and designating those persons authorized to execute and deliver all necessary documents at closing.

6. **Mutual Settlement.** This Agreement is executed pursuant to a compromise and settlement entered into by each party hereto for the purpose of avoiding uncertainty, controversy, and legal expense. In this regard, it is not intended by either Borrower or Lenders that the Loan Purchase Price be or constitute any statement, opinion or agreement as to the value of the Property, it being understood that this Agreement is without prejudice or compromise to any party's rights to assert that the value of the Property is materially different from the sum of the amount outstanding under the First Mortgage Loan and the Loan Purchase Price. In no event shall the Loan Purchase Price be deemed to be admissible or discoverable in any judicial, bankruptcy or other proceeding, nor shall the Loan Purchase Price be deemed to be relevant or
competent evidence with respect to the value of the Property. This Agreement and all negotiations and communications with respect to this Agreement shall be governed by that certain Prenegotiation Agreement, dated September 14, 2010, shall be considered "compromise negotiations" pursuant to Federal Rules of Evidence 408 and similar state laws and rules, and no such negotiations and communications shall ever be considered "otherwise discoverable" or be permitted to be discoverable or admissible for any other purpose such as to prove bias, intent, prejudice, interest of a witness or a party, negating a contention of undue delay, or for any other purpose.

7. **No Waiver of Remedies.** Lenders expressly reserve any and all rights and remedies available to Lenders under the Second Mortgage Loan Documents, at law and in equity, subject only to the express obligations of Lenders under this Agreement. No failure to exercise, or delay by Lenders in exercising, any right, power or privilege hereunder or under the Second Mortgage Loan Documents shall preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand upon Borrower in any instance shall, in itself, entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of Lenders to any other or further action in any circumstance without notice or demand.

8. **Releases.** (a) IN CONSIDERATION OF LENDERS EXECUTING THIS AGREEMENT, BORROWER, ON BEHALF OF ITSELF AND ITS PARTNERS, MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "BORROWER PARTIES") HEREBY UNCONDITIONALLY AND IRREVOCABLY FULLY RELEASES, ACQUITS, SETTLES, AND DISCHARGES ANY AND ALL CLAIMS, COUNTERCLAIMS, LIABILITIES, DAMAGES, DEFENSES, DEMANDS AND CAUSES OF ACTION THAT ANY OF THE BORROWER PARTIES HAS OR MAY HAVE AGAINST PAMI, CWCAPITAL OR ANY OF THEIR RESPECTIVE MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "RELEASED PARTIES"), WHETHER OR NOT ACTING IN THEIR OFFICIAL CAPACITY WITH RESPECT TO PAMI OR CWCAPITAL, IN THEIR PERSONAL CAPACITY OR IN ANY OTHER CAPACITY, RELATED TO OR THAT MAY HAVE ARISEN, MAY ARISE OR ARE OR BECOME ASSERTABLE AS A RESULT OF EVENTS OCCURRING IN CONNECTION WITH THE FIRST MORTGAGE LOAN, THE FIRST MORTGAGE LOAN DOCUMENTS, THE SECOND MORTGAGE LOAN AND/OR THE SECOND MORTGAGE LOAN DOCUMENTS, TOGETHER WITH ANY AND ALL NEGOTIATIONS, DISCUSSIONS, ACTS, OMISSIONS, RENEWALS, EXTENSIONS, COLLATERAL DOCUMENTS, AND OTHER AGREEMENTS AND ACTIONS RELATED THERETO, INCLUDING ANY CLAIMS, CAUSES OF ACTION OR DEFENSES BASED ON THE NEGLIGENCE OF PAMI AND/OR CWCAPITAL OR ANY OF THE RELEASED PARTIES OR ON ANY OTHER "LENDER LIABILITY" THEORIES OF, AMONG OTHERS, BAD FAITH, BREACH OF IMPLIED COVENANT OF GOOD FAITH, UNFAIR DEALING, DURESS, COERCION, CONTROL, MISREPRESENTATION, OMISSIONS, MISCONDUCT, OVERREACHING, UNCONSCIONABILITY, DISPARATE BARGAINING POSITION, RELIANCE, EQUITABLE SUBORDINATION, FRAUD, OR OTHERWISE, AND DO HEREBY INTEND TO RELEASE, COMPROMISE AND SETTLE SUCH CLAIMS AND
MATTERS, WHETHER KNOWN OR UNKNOWN, WHETHER REDUCED TO JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, LEGAL, EQUITABLE, SECURED OR UNSECURED AND WHETHER THEY AROSE COLLABORALLY, DIRECTLY, DERIVATIVELY OR OTHERWISE BETWEEN ANY OF THE BORROWER PARTIES AND ANY OF THE RELEASED PARTIES FROM THE BEGINNING OF THE WORLD TO AND INCLUDING THE DATE OF THIS AGREEMENT (COLLECTIVELY, THE "RELEASED CLAIMS"). BORROWER HEREBY REPRESENTS AND WARRANTS TO PAMI AND CWCAPITAL THAT IT IS PRESENTLY THE LEGAL AND BENEFICIAL OWNER AND HOLDER OF ANY AND ALL OF THE RELEASED CLAIMS AND THAT IT HAS NOT HERETOFORE EXPRESSLY OR IMPLIEDLY ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, SOLD, CONVEYED OR OTHERWISE DISPOSED OF, FOR THE BENEFIT OF CREDITORS OR OTHERWISE, ANY OF THE RELEASED CLAIMS.

(b) IN CONSIDERATION OF PAMI EXECUTING THIS AGREEMENT AND DELIVERY OF THE TRANSFER DOCUMENTS DESCRIBED IN SECTION 4, ABOVE, UPON DELIVERY OF SUCH TRANSFER DOCUMENTS, CWCAPITAL, ON BEHALF OF ITSELF AND ITS PARTNERS, MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "CWCAPITAL PARTIES") SHALL BE DEEMED AUTOMATICALLY TO HAVE UNCONDITIONALLY AND IRREVOCABLY FULLY RELEASED, ACQUITTED, SETTLED, AND DISCHARGED ANY AND ALL CLAIMS, COUNTERCLAIMS, LIABILITIES, DAMAGES, DEFENSES, DEMANDS AND CAUSES OF ACTION THAT ANY OF THE CWCAPITAL PARTIES HAS OR MAY HAVE AGAINST PAMI OR ANY OF ITS MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "PAMI RELEASED PARTIES"), WHETHER OR NOT ACTING IN THEIR OFFICIAL CAPACITY, IN THEIR PERSONAL CAPACITY OR IN ANY OTHER CAPACITY, RELATED TO OR THAT MAY HAVE ARisen, MAY ARISE OR ARE OR BECOME ASSERTABLE AS A RESULT OF EVENTS OCCURRING IN CONNECTION WITH THE FIRST MORTGAGE LOAN, THE FIRST MORTGAGE LOAN DOCUMENTS, THE AGREEMENT REGARDING CO-INSURANCE, THE SECOND MORTGAGE LOAN AND/OR THE SECOND MORTGAGE LOAN DOCUMENTS, TOGETHER WITH ANY AND ALL NEGOTIATIONS, DISCUSSIONS, ACTS, OMISSIONS, RENEWALS, EXTENSIONS, COLLATERAL DOCUMENTS, AND OTHER AGREEMENTS AND ACTIONS RELATED THERETO, INCLUDING ANY CLAIMS, CAUSES OF ACTION OR DEFENSES BASED ON THE NEGLIGENCE OF PAMI OR ANY OF THE PAMI RELEASED PARTIES, AND SHALL BE DEEMED TO HAVE RELEASED, COMPROMISED AND SETTLED SUCH CLAIMS AND MATTERS, WHETHER KNOWN OR UNKNOWN, WHETHER REDUCED TO JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, LEGAL, EQUITABLE, SECURED OR UNSECURED AND WHETHER THEY AROSE COLLABORALLY, DIRECTLY, DERIVATIVELY OR OTHERWISE BETWEEN ANY OF THE CWCAPITAL PARTIES AND ANY OF THE PAMI RELEASED PARTIES FROM THE BEGINNING OF THE WORLD TO AND INCLUDING THE DATE OF THIS AGREEMENT SPECIFICALLY EXCLUDING, HOWEVER, ANY CLAIM FOR BREACH OF THIS AGREEMENT.
(c) IN CONSIDERATION OF CWCAPITAL EXECUTING THIS AGREEMENT AND MAKING THE DISBURSEMENT OF PAMI'S SHARE OF THE LOAN PURCHASE PRICE IN ACCORDANCE WITH SECTION 2(f), ABOVE, UPON RECEIPT OF SUCH FUNDS, PAMI, ON BEHALF OF ITSELF AND ITS PARTNERS, MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "PAMI PARTIES") SHALL BE DEEMED AUTOMATICALLY TO HAVE UNCONDITIONALLY AND IRREVOCABLY FULLY RELEASED, ACQUITTED, SETTLED, AND DISCHARGED ANY AND ALL CLAIMS, COUNTERCLAIMS, LIABILITIES, DAMAGES, DEFENSES, DEMANDS AND CAUSES OF ACTION THAT ANY OF PAMI PARTIES HAS OR MAY HAVE AGAINST CWCAPITAL OR ANY OF ITS MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "CWCAPITAL RELEASED PARTIES"), WHETHER OR NOT ACTING IN THEIR OFFICIAL CAPACITY IN THEIR PERSONAL CAPACITY OR IN ANY OTHER CAPACITY, RELATED TO OR THAT MAY HAVE ARISEN, MAY ARISE OR ARE OR BECOME ASSERTABLE AS A RESULT OF EVENTS OCCURRING IN CONNECTION WITH THE FIRST MORTGAGE LOAN, THE FIRST MORTGAGE LOAN DOCUMENTS, THE AGREEMENT REGARDING CO-INSURANCE, THE SECOND MORTGAGE LOAN AND/OR THE SECOND MORTGAGE LOAN DOCUMENTS, TOGETHER WITH ANY AND ALL NEGOTIATIONS, DISCUSSIONS, ACTS, OMISSIONS, RENEWALS, EXTENSIONS, COLLATERAL DOCUMENTS, AND OTHER AGREEMENTS AND ACTIONS RELATED THERETO, INCLUDING ANY CLAIMS, CAUSES OF ACTION OR DEFENSES BASED ON THE NEGLIGENCE OF CWCAPITAL OR ANY OF THE CWCAPITAL RELEASED PARTIES AND SHALL BE DEEMED TO HAVE RELEASED, COMPROMISED AND SETTLED SUCH CLAIMS AND MATTERS, WHETHER KNOWN OR UNKNOWN, WHETHER REDUCED TO JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, LEGAL, EQUITABLE, SECURED OR UNSECURED AND WHETHER THEY AROSE COLLATERALLY, DIRECTLY, DERIVATIVELY OR OTHERWISE BETWEEN ANY OF THE PAMI PARTIES AND ANY OF THE CWCAPITAL RELEASED PARTIES FROM THE BEGINNING OF THE WORLD TO AND INCLUDING THE DATE OF THIS AGREEMENT, SPECIFICALLY EXCLUDING, HOWEVER, ANY CLAIM FOR BREACH OF THIS AGREEMENT.

(d) The provisions of this Paragraph 8 shall survive any expiration or termination of this Agreement.

9. Ratification. Nothing contained herein shall be construed or interpreted as a modification or amendment of the Second Mortgage Loan Documents in any way, and the Second Mortgage Loan Documents are and shall remain valid, binding and enforceable in accordance with their terms, provided that Borrower shall have all rights contained in this Agreement. The Second Mortgage Loan Documents are and shall remain in full force and effect, and Borrower hereby ratifies and reaffirms its obligations under the Second Mortgage Loan Documents.
10. Defaults. The occurrence of any one or more of the following shall constitute a "Default" under this Agreement:

(a) (i) The inaccuracy or untruth in any material respect of any representation or warranty made by Borrower in this Agreement; (ii) the existence of fraud by Borrower, or (iii) the existence of any misrepresentation of material fact by Borrower or any fraud contained herein or in any document or information submitted or communicated to either Lender by Borrower in support of or related to this Agreement whether heretofore, hereafter or contemporaneously with this Agreement; and/or

(b) The occurrence of any default under the Second Mortgage Loan Documents or any other default or event of default under any agreement to which either Lender and Borrower are parties that remains uncured beyond any applicable notice, grace or cure period; and/or

(c) Any breach or default by Borrower of this Agreement, or failure by Borrower to perform its obligations hereunder, including, without limitation, failure to provide to Lenders any notice or report required to be delivered pursuant to Section 11, below.

The date on which any Default occurs shall be referred to herein as the "Default Date."

11. Termination.

(a) "Upon the earlier to occur of (i) the failure of Borrower to satisfy any or all of the conditions set forth in Sections 2 and 3 above and/or to pay the Loan Purchase Price in accordance with this Agreement, in each case, on or prior to May 25, 2011 (the "Initial Expiration Date") (subject to Borrower's rights to extend such date as provided in this Paragraph 11) (the Initial Expiration Date, as extended pursuant to this Paragraph 11, the "Expiration Date"), or (ii) the Default Date (the earlier of such dates being referred to herein as the "Termination Date"): (1) the rights of Borrower under this Agreement shall automatically terminate without notice or demand, and (2) Lenders and Borrower's respective rights and obligations with respect to the Second Mortgage Loan shall be governed strictly in accordance with the terms of the Second Mortgage Loan Documents without regard to this Agreement, except for those provisions herein that by their terms survive any expiration or termination of this Agreement.

(b) If the condition set forth in this Section 11(b) is satisfied, and provided that there is no default by Borrower under the terms of this Agreement as of the Initial Expiration Date, Borrower shall have the right to extend the Expiration Date to August 25, 2011 (the "Second Expiration Date") (without payment of any fee for such extension) by providing written notice of such extension to CWCapital and PAMI on or before the Initial Expiration Date, which notice shall be accompanied by a letter from the New First Mortgage Lender confirming that agreements have been entered into authorizing all appraisal, engineering, environmental and other third party reports required in connection with the New First Mortgage Loan, and that the providers of each of such reports have commenced the work required to issue such reports as required under such agreements in form satisfying all requirements applicable to Section 223(f)
HUD loans. The Expiration Date shall not be extended unless said notice is accompanied by said letter from the new First Mortgage Lender and is actually received by the Lenders on or before the Initial Expiration Date.

(c) If the Expiration Date has been extended as provided in Section 11(b), above, the conditions set forth in this Section 11(c) are satisfied, and provided that there is no default by Borrower under the terms of this Agreement as of the Second Expiration Date, Borrower shall have the right to further extend the Expiration Date to November 25, 2011 (the "Third Expiration Date") (without payment of any fee for such extension) by providing written notice of such extension to CWCapital and PAMI on or before August 11, 2011 (the "Second Extension Deadline"). Borrower shall not have the right to extend the Expiration Date pursuant to this Section 11(c) unless each Lender determines that on the Second Extension Deadline and on the Second Expiration Date, (1) a completed Firm Application for the New First Mortgage Loan has been submitted to HUD, requesting a loan in an amount not less than $8,860,000.00 (the “Minimum Amount”), together with all documentation required to be submitted with said Application, copies of all of which (other than any confidential financial information required by HUD regarding parties other than Borrower or the Property) have been provided to Lenders, (2) Borrower has not been advised by the New First Mortgage Lender that it will decline to make the New First Mortgage Loan or that HUD will not insure the New First Mortgage Loan, and Borrower so certifies in writing to Lenders, (3) Borrower has not been advised by the New First Mortgage Lender that the amount of the New First Mortgage Loan must be less than the Minimum Amount, and Borrower so certifies in writing to Lenders, and (4) Borrower demonstrates that the New First Mortgage Lender and Borrower are continuing diligently and in good faith to pursue processing and closing of the New First Mortgage Loan, as demonstrated by evidence of continuing submission by Borrower to the New First Mortgage Lender of all documentation required by the New First Mortgage Lender in connection with the closing of the New First Mortgage Loan, as required by the New First Mortgage Lender, and continuing substantial negotiations by Borrower and the New First Mortgage Lender of the loan documents.

(d) If the Expiration Date has been extended as provided in Section 11(c), above, the conditions set forth in this Section 11(d) are satisfied, and provided that there is no default by Borrower under the terms of this Agreement as of the Expiration Date, as extended pursuant to the provisions of Sections 11(b) and (c), above, Borrower shall have the further right to extend the Expiration Date to March 10, 2012 (the "Fourth Expiration Date") (without payment of any fee for such extension) by providing written notice of such extension to CWCapital and PAMI on or before November 11, 2012 (the “Third Extension Deadline”). Borrower shall not have the right to extend the Expiration Date pursuant to this Section 11(d) unless each Lender determines that on the Third Extension Deadline and on the Third Expiration Date, (1) Borrower has not been advised by the New First Mortgage Lender that it will decline to make the New First Mortgage Loan or that HUD will not insure the New First Mortgage Loan, and Borrower so certifies in writing to Lenders, (2) Borrower has not been advised by the New First Mortgage Lender that the amount of the New First Mortgage Loan must be less than the Minimum Amount, and Borrower so certifies in writing to Lenders, (3) Borrower demonstrates that the New First Mortgage Lender and Borrower are continuing diligently and in good faith to pursue processing and closing of the New First Mortgage Loan, (4) Borrower has obtained a commitment for FHA mortgage insurance countersigned by the New First Mortgage Lender and the Borrower, and Borrower provides a copy of same to Lenders, and (5) a Rate Lock Agreement
has been issued by the New First Mortgage Lender and accepted by the Borrower and providing for a closing date on or before the Expiration Date, as extended pursuant to this Section 11(d), and Borrower provides a copy of same to Lenders.

(e) Notwithstanding any extension of the Termination Date pursuant to the provisions of this Section 11, in no event shall the Termination Date be later than March 10, 2012.

(f) Notwithstanding any extension of the Termination Date pursuant to the provisions of this Section 11, and notwithstanding anything to the contrary in this Agreement, if at any time (1) the New First Mortgage Lender advises Borrower that it will decline to make the New First Mortgage Loan or that HUD will not insure the New First Mortgage Loan, or (2) New First Mortgage Lender or Borrower fail to continue to pursue processing and closing of the New First Mortgage Loan diligently and in good faith. Borrower shall immediately so notify Lenders, and the Termination Date shall be deemed to have occurred.

(g) Notwithstanding any extension of the Termination Date pursuant to the provisions of this Section 11, and notwithstanding anything to the contrary in this Agreement, if at any time (1) the New First Mortgage Lender advises Borrower that the amount of the New First Mortgage Loan must be less than the Minimum Amount, or the valuation of the Property indicated by the appraisal obtained in connection with the New First Mortgage Loan indicates that the amount of the New First Mortgage Loan must be less than the Minimum Amount based upon standards applicable to Section 223(f) HUD loans, then either Lender shall have the right by written notice to Borrower and the other Lender to declare immediately that the Termination Date has occurred.

(h) Notwithstanding any extension of the Termination Date pursuant to the provisions of this Section 11, and notwithstanding anything to the contrary in this Agreement, if at any time (1) any environmental report obtained in connection with the New First Mortgage Loan indicates that environmental remediation is required on the Property, or (2) any engineering report obtained in connection with the New First Mortgage Loan indicates that physical repairs are required on the Property, and in either case Borrower fails to commence such remediation or repairs within the time periods reflected in such reports or provide to the New First Mortgage Lender funds sufficient for same, then Borrower shall immediately so notify Lenders, and either Lender shall have the right by written notice to Borrower and the other Lender to declare immediately that the Termination Date has occurred.

(i) Borrower shall provide to Lenders, promptly upon receipt, copies of all appraisal, engineering, environmental and other third party reports obtained by New First Mortgage Lender or Borrower in connection with the New First Mortgage Loan.

12. **Closing Costs: Deposit.** At the closing of the purchase of the Second Mortgage Loan, or upon the occurrence of the Termination Date if the purchase of the Second Mortgage Loan is not closed, Borrower shall pay to each Lender from separate funds (and not as Transaction Costs) all costs and expenses, including, without limitation, reasonable attorneys’ and expenses, incurred by such Lender in connection with the preparation and negotiation of this Agreement and the closing of the transactions contemplated herein (collectively, the “Lender
Contemporaneously with the execution hereof, Borrower shall pay to PAMI the sum of $25,000.00 (the "Deposit"), to be held and applied by PAMI to the Lender Costs. At the closing of the transactions contemplated herein, the Deposit shall be applied by PAMI to the Lender Costs. If the purchase of the Second Mortgage Loan Documents is not closed solely as the result of a default by Lenders under this Agreement, the Deposit shall immediately be refunded to Borrower. If the purchase of the Second Mortgage Loan Documents is not closed for any reason other than a default by Lenders under this Agreement, the Deposit shall be retained by PAMI and applied to the Lender Costs due to PAMI and CWCapital. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. In the event that the Deposit is insufficient to cover all of the Lender Costs, as between PAMI and CWCapital, PAMI shall be entitled to receive an amount equal to the lesser of (i) $22,500, or (ii) its actual Lender Costs, with the balance to be paid to CW up to the full amount of its Lender Costs. Any remaining balance of the Deposit after such payment to CW shall be paid to PAMI up to the remaining balance of its Lender Costs.

Brokers. PAMI, CWCapital and Borrower each represents and warrants to the others that no brokerage commission or other compensation is payable to any person or entity in connection with the transaction contemplated hereby, and each agrees to and does hereby indemnify and hold the others harmless against the payment of any commission to any person or entity claiming by, through or under such party, as applicable. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including reasonable attorneys' fees and litigation costs) arising as a result of such claims and shall survive the closing and any expiration or termination of this Agreement.

Consent to Agreement. Borrower acknowledges that (a) Borrower has thoroughly read and reviewed the terms and provisions of this Agreement and is familiar with same, (b) Borrower clearly understands and has fully and unconditionally consented to the terms and provisions contained herein, (c) Borrower has had full benefit and advice of counsel of its own selection, in regard to understanding the terms, meaning and effect of this Agreement, (d) Borrower has entered into this Agreement freely, voluntarily, with full knowledge, and without duress, and (e) in executing this Agreement, Borrower is relying on no representations either written or oral, express or implied, made to the Borrower by any other party hereto. Borrower acknowledges that Lenders' agreements set forth herein are adequate and sufficient consideration for the agreements of Borrower set forth herein.

No Further Commitment. Borrower acknowledges and agrees that (i) Lenders have no obligation whatsoever to discuss, negotiate or to agree to any restructuring of the Second Mortgage Loan, or any modification, amendment, restructuring or reinstatement of the Second Mortgage Loan Documents, and (ii) if there are any future discussions between either Lender and Borrower concerning any such restructuring, modification, amendment or reinstatement, then no restructuring, modification, amendment, reinstatement, compromise, settlement, agreement or understanding with respect to the Second Mortgage Loan, the Second Mortgage Loan Documents, the Property or any aspect thereof, shall constitute a legally binding agreement or contract or have any force or effect whatsoever unless and until reduced to writing and signed by authorized representatives of such Lender, and none of the parties hereto shall assert or claim in any legal proceedings or otherwise that any such agreement exists except in accordance with the terms of this section. Borrower acknowledges that, except as provided in
the Agreement Regarding Co-Insurance, (i) CWCapital does not have the power or authority to act on behalf of or bind PAMI and (ii) PAMI does not have the power or authority to act on behalf of or to bind CWCapital.

16. **Entire Agreement.** This instrument contains the entire agreement and understanding concerning the purchase and sale of the Second Mortgage Loan Documents and the settlement of the obligations of Borrower under the Second Mortgage Loan Documents, and supersedes and replaces all prior negotiations and agreements between the parties hereto, or any of them, whether written or oral with respect to such purchase and sale or settlement of such obligations. The parties, and each of them, acknowledge that they have been represented by counsel of their own choice in the negotiations, and in the preparation, of this Agreement. The parties hereto acknowledge that no other party or agent or attorney of any other party has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce any other party to execute this Agreement, and each party hereto acknowledges that it has not executed this instrument in reliance upon any such promise, representation, or warranty not contained herein.

17. **Notices.** Any notice, demand, request or other communication required or permitted to be given under this Agreement or the Second Mortgage Loan Documents shall be deemed given (a) when personally delivered, (b) one (1) business day after deposit with Federal Express or other reasonably reliable overnight courier for overnight delivery, charges prepaid, (c) after telephonic confirmation given by the party sending the notice to the party receiving notice that the notice has been transmitted by telecopy, or (d) by electronic mail, in each case addressed as follows:

If intended for Borrower:

Clocktower Housing Associates Limited Partnership  
P.O. Box 51037  
Boston, MA 02205  
Attention: Edward W. Brice, Jr.  
Telephone #: (617) 266-3023  
Telecopy #: (781) 235-0344  
E-mail: edb37@tiac.net

For Overnight deliveries only:

Clocktower Housing Associates Limited Partnership  
c/o Edward W. Brice, Jr.  
81 Forest Street  
Wellesley, MA 02481

with a copy to:

Prunier & Prolman, P.A.  
20 Trafalgar Square, Suite 626  
Nashua, New Hampshire 030631981  
Attention: Andrew A. Prolman, Esq.
Telephone #: (603) 883-8900
Telecopy #: (603) 883-7959
E-mail: aproIman@prunierlaw.com

And, prior to but not after the Termination Date, with an additional copy to:

Fantini & Gorga
265 Franklin Street, 3rd Floor
Boston, MA 02110
Attention: Tim O'Donnell, Principal
Telephone #: (617) 897-1148
Telecopy #: (617) 951-9944
E-mail: todonnell@fantinigorga.com

If intended for PAMI:

PAMI Mid-Atlantic LLC
c/o Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 38th Floor
New York, New York 10020
Attention: Joelle Halperin, Esq.
Telephone #: (646) 285-9066
Telecopy #: (646) 834-0874
E-mail: joelle.halperin@lamcollc.com

with copies to:

PAMI Mid-Atlantic LLC
c/o Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 38th Floor
New York, New York 10020
Attention: Brian Gross
Telephone #: (646) 285-9024
Telecopy #: (646) 758-5331
E-mail: brian.gross@lamcollc.com

and

Clyde E. Click, Esq.
3475 Piedmont Road, NE
Suite 1910
Atlanta, Georgia 30305
Telephone #: (404) 760-2707
Telecopy #: (404) 760-2701
E-mail: cclick@clydeclick.com
If intended for CWCapital

CWCapital LLC
One Charles River Place
63 Kendrick Street
Needham, MA 02494
Attention: Jim Schroeder
Telephone #: (781) 707-9403
Telecopy #: (781) 707-9499
E-mail: jschroeder@cwcapital.com

with a copy to:

Vorys, Sater, Seymour and Pease LLP
105 East Fourth Street, Suite 2000
Cincinnati, OH 45202
Attention: Charles C. Bissinger, Jr., Esq.
Telephone #: (513) 723-4084
Telecopy #: (513) 852-7817
E-mail: ccbissinger@vorvs.com

or at such other address as each party to be served notice may have furnished in writing to the party seeking or desiring to serve notice as a place for service of notice. Notices given in any other fashion shall be deemed effective only upon receipt. A copy of any notice given by any party pursuant hereto shall be sent simultaneously to all other parties. The provisions of this Section 17 shall survive any expiration or termination of this Agreement.

18. **Attorneys' Fees.** In the event of any action or proceeding brought by any party against any other under this Agreement, each prevailing party shall be entitled to recover all costs and expenses including its attorneys' fees in such action or proceeding in such amount as the court may adjudge reasonable. Each prevailing party shall be determined by the court based upon an assessment of which party's major arguments made or positions taken in the proceedings could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues in the court's decision. If the party which shall have commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other parties, such other parties shall be deemed the prevailing party.

19. **Severability and Waiver.** If any provision of this Agreement is held to be invalid, void, or unenforceable, the balance of the provisions shall, nevertheless, remain in full force and effect and shall in no way be affected, impaired, or invalidated provided that upholding the balance of the provisions without the invalid, void or unenforceable provision does not change the fundamental nature of this Agreement, which is intended by all parties hereto to be the payment to Lenders of not less than the Loan Purchase Price in consideration of the transfer of the Second Mortgage Loan Documents in accordance with the provisions hereof. The waiver of any one provision of this Agreement shall not be deemed a waiver of any other provision.
20. **Amendments.** This Agreement may be changed, modified, or amended only by a written instrument signed by all parties.

21. **Successors.** This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective assigns, successors in interest, and legal representatives.

22. **Expiration of Agreement.** This Agreement shall be null and void and of no further force and effect if this Agreement is not executed by all parties on or before March 1, 2011.

23. **Waiver of Trial By Jury.** EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, UNCONDITIONALLY, IRREVOCABLY AND INTENTIONALLY FOREVER WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR THE SECOND MORTGAGE LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (VERBAL OR WRITTEN) OR ACTION OF ANY PERSON OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR THE SECOND MORTGAGE LOAN DOCUMENTS (INCLUDING WITHOUT LIMITATION ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT OR THE SECOND MORTGAGE LOAN DOCUMENTS OR ANY CLAIMS OR DEFENSES ASSERTING THAT THIS AGREEMENT OR THE SECOND MORTGAGE LOAN DOCUMENTS WERE FRAUDULENTLY INDUCED OR ARE OTHERWISE VOID OR VOIDABLE). THIS PROVISION IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT.

24. **Applicable Law.** This Agreement is made and entered into in the State of New York and shall in all respects be interpreted and enforced and governed by and under the laws of such State.

25. **Counterparts.** This Agreement may be executed in multiple counterpart copies, or by facsimile signature, each of which shall be deemed an original.

*The balance of this page is intentionally left blank.*
IN WITNESS WHEREOF, the parties hereto have duly caused the execution of this Agreement as of the day and year first above written.

BORROWER:

CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership

By: __________________________
   Edward W. Brice, Jr.
   General Partner

By: WARNER SERVICES, INC., a Massachusetts corporation, General Partner

By: __________________________
   Edward W. Brice, Jr.
   President
LENDERS:

PAMI MID-ATLANTIC LLC, a Delaware limited liability company

By: ____________________________________________
       Authorized Signatory

CWCAPITAL LLC, a Massachusetts limited liability company

By: ____________________________________________
       Authorized Signatory
       James Schroeder
       Senior Vice President

Agreement Regarding Loan, Clocktower II, Deal ID# TN18.
LENDERS:

PAMI MID-ATLANTIC LLC, a Delaware limited liability company

By: _______________________________
   Jeffrey Fite
   Authorized Signatory

CWCAPITAL LLC, a Massachusetts limited liability company

By: _______________________________
   Authorized Signatory

Agreement Regarding Loan, Clocktower II, Deal ID# TN18.
EXHIBIT A
FORMS OF ALLONGE AND ASSIGNMENT OF MORTGAGE

FORM OF ALLONGE

FOR VALUE RECEIVED, the undersigned, as the holder of that certain Second Mortgage Note, dated as of March 1, 1997, made payable by Clocktower Housing Associates Limited Partnership, a New Hampshire limited partnership, to the Secretary of Housing and Urban Development, in the stated principal amount of $6,385,325.39, as assigned to the undersigned, and to which this Allonge is affixed (as thereafter amended and/or restated, the "Note"), hereby assigns, transfers, endorses, negotiates and sets over to and makes payable to the order of [NAME OF ASSIGNEE], a [ ], without recourse, representation or warranty of any kind or nature whatsoever, the Note and all interest, principal and all other sums due or to become due under the Note.

Dated as of ________________, 20__

PAMI MID-ATLANTIC LLC, a Delaware limited liability company

By: ____________________________
   Authorized Signatory

Clocktower II, Deal ID# TN18.
FORM OF ASSIGNMENT OF MORTGAGE

This instrument prepared by:

Clyde E. Click, Esq.
3475 Piedmont Road, N.E.
Suite 1910
Atlanta, Georgia 30305

Record & Return to:

Clyde E. Click, Esq.
3475 Piedmont Road, N.E.
Suite 1910
Atlanta, Georgia 30305

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

ASSIGNMENT OF MORTGAGE

(hereinafter the "Assignment")

In consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PAMI MID- ATLANTIC LLC, a Delaware limited liability company, having an address at 1271 Avenue of the Americas, 38th Floor, New York, New York 10020 ("Assignor"), does hereby grant, bargain, sell, convey, assign, transfer and set over unto [NAME OF ASSIGNEE], a , having an address at ________________________________ ("Assignee"), without recourse, all of the right, title and interest of Assignor in and to the mortgage described on Exhibit "B" attached hereto and incorporated herein covering the premises described on Exhibit "A" attached hereto and incorporated herein (collectively, "Mortgage").

By its acceptance hereof, Assignee hereby assumes from Assignor, all of Assignor's obligations as Lender arising under the Mortgage.

This Assignment is made without representation, recourse or warranty.
IN WITNESS WHEREOF, the Assignor has executed, sealed, acknowledged and delivered this Assignment.

Effective as of _____________, 20__.

PAMI MID-ATLANTIC LLC, a Delaware limited liability company

By: ______________________________

Authorized Signatory

Clocktower II, Assignment of Mortgage, Deal ID# TN18.
ACKNOWLEDGMENT

State of New York
County of New York

On __________ before me, (here insert name and title of the officer), personally appeared __________________________________________________________

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature ______________________________ (Seal)
EXHIBIT B
(MORTGAGE SCHEDULE)

Second Mortgage, dated as of March 1, 1997, made by Clocktower Housing Associates Limited Partnership, a New Hampshire limited partnership, to the Secretary of Housing and Urban Development, as assigned to PAMI Mid-Atlantic LLC, to secure the principal sum of $6,385,325.39 and recorded in Book 5798, page 1397, Hillsborough County, New Hampshire records.
This FIRST AMENDMENT OF AGREEMENT REGARDING LOAN (this "Amendment") dated as of the ___ day of August, 2011 between CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership, with an address at P.O. Box 51037, Boston, Massachusetts 02205 ("Borrower”), PMI MID-ATLANTIC LLC, a Delaware limited liability company, having an address at 1271 Avenue of the Americas, 38th Floor, New York, New York 10020 ("PMI”), and CWCAPITAL LLC, a Massachusetts limited liability company, successor by merger to Continental Wingate Associates, Inc. ("CWCapital”); and, together with PMI, "Lenders”).

WITNESSETH:

WHEREAS, PMI is the holder of (i) that certain Second Mortgage Note, executed by Borrower to the order of the Secretary of Housing and Urban Development ("HUD") in the original principal amount of $6,385,325.39, dated as of March 1, 1997, evidencing a loan (the "Second Mortgage Loan") made to Borrower (such note, the "Second Mortgage Note"). and (ii) certain UCC Financing Statements relating to the indebtedness evidenced by the Second Mortgage Note; and

WHEREAS, the Second Mortgage Note is secured by, among other things, a Second Mortgage, dated as of March 1, 1997, from Borrower to HUD, recorded in Book 5798, page 1397, Hillsborough County, New Hampshire records (the "Second Mortgage"; the documents evidencing and/or securing the Second Mortgage Loan, collectively, the "Second Mortgage Loan Documents"), which is now held by PMI, which Second Mortgage encumbers certain real property (the "Property") located in Hillsborough County, New Hampshire; and

WHEREAS, pursuant to the provisions of that certain Agreement Regarding Co-Insurance Partial Claim, dated as of March 1, 1997, by and between CWCapital and HUD (the "Agreement Regarding Co-Insurance"), certain rights to payments with respect to the indebtedness evidenced by the Second Mortgage Note are held by CWCapital; and

WHEREAS, CWCapital is also the holder of the first mortgage loan (the "First Mortgage Loan") secured by the Property, which First Mortgage Loan is secured by a certain Mortgage Note, dated February 14, 1990, made by Borrower to the order of CWCapital in the original principal face amount of $12,510,000.00 (as amended, the "First Mortgage Note"). and that certain Mortgage (the "First Mortgage"), from Borrower to CWCapital, dated February 14, 1990 and recorded in Book 5169, page 155, Hillsborough County, New Hampshire records, which First Mortgage encumbers the Property; and

WHEREAS, Borrower and Lenders have entered into that certain Agreement Regarding Loan, dated as of March 10, 2011 (the “Agreement Regarding Loan”), pursuant to which Lenders agreed that Borrower could purchase the Loan on or before the Termination Date for the Loan Purchase Price (as such terms are defined in the Agreement Regarding Loan); and
WHEREAS, Borrower has requested that Lenders postpone certain dates set forth in the Agreement Regarding Loan, and Lenders have agreed to do so;

NOW, THEREFORE, in consideration of the sum of Ten ($10.00) Dollars, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Second Mortgage Loan Balance.** Borrower hereby certifies, covenants and agrees that, as of August 31, 2011, the outstanding principal balance of the Second Mortgage Loan is $6,385,325.39, and accrued and unpaid interest on the Second Mortgage Loan as of August 31, 2011 is $3,977,193.98, which amounts total $10,362,519.37 in the aggregate (the "Aggregate Balance").

2. **Capitalized Terms.** Except as otherwise expressly defined herein, capitalized terms utilized herein shall have the respective meanings provided with respect to such terms in the Agreement.

3. **Representations and Warranties of Borrower.** In consideration of the execution and delivery of this Amendment by Lenders, Borrower hereby represents and warrants to Lenders as follows:

   (a) Each and all of the representations and warranties of Borrower set forth in the Agreement are true and correct as of the date of this Amendment;

   (b) There is in existence as of the date of this Amendment no default under the Second Mortgage Loan Documents or the Agreement, as amended hereby, or any other default or event of default under any agreement to which either Lender and Borrower are parties that remains uncured beyond any applicable notice, grace or cure period;

   (c) There is in existence as of the date of this Amendment no default under the First Mortgage Note or any of the documents or instruments evidencing or securing the First Mortgage Loan that remains uncured beyond any applicable notice, grace or cure period;

   (d) Borrower has not been advised by the New First Mortgage Lender that it will decline to make the New First Mortgage Loan or that HUD will not insure the New First Mortgage Loan; and

   (e) Borrower has not been advised by the New First Mortgage Lender that the amount of the New First Mortgage Loan must be less than the Minimum Amount; and

   (f) As of the date of this Amendment, the New First Mortgage Lender and Borrower are continuing diligently and in good faith to pursue processing and closing of the New First Mortgage Loan.

4. **Amendment.** Borrower and Lenders hereby modify and amend the Agreement as follows:
(a) Section 3(b) of the Agreement is hereby amended by deleting the words "within ninety (90) days after the date of this Agreement" appearing in the first and second lines thereof, and by inserting in lieu thereof the words "on or before October 31, 2011."

(b) Section 3(b) of the Agreement is hereby amended by deleting the words "the expiration of ninety (90) days after the date of this Agreement" appearing in the thirteenth (13th) line thereof, and by inserting in lieu thereof the words "on or before October 31, 2011."

(c) Section 11(c) of the Agreement is hereby deleted in its entirety, and the following is hereby substituted in lieu thereof:

"(c) If the Expiration Date has been extended as provided in Section 11(b), above, the conditions set forth in this Section 11(c) are satisfied, and provided that there is no default by Borrower under the terms of this Agreement as of the Second Expiration Date, Borrower shall have the right to further extend the Expiration Date to March 25, 2012 (the ‘Third Expiration Date’) (without payment of any fee for such extension) by providing written notice of such extension to CWCapital and PAMI on or before October 31, 2011 (the ‘Second Extension Deadline’). Borrower shall not have the right to extend the Expiration Date pursuant to this Section 11(c) unless each Lender determines that on the Second Extension Deadline and on the Second Expiration Date, (1) a completed Firm Application for the New First Mortgage Loan has been submitted to HUD, requesting a loan in an amount not less than $8,860,000.00 (the ‘Minimum Amount’), together with all documentation required to be submitted with said Application (including, without limitation, an agreement with the City as described in Section 3(b), above), copies of all of which (other than any confidential financial information required by HUD regarding parties other than Borrower or the Property) have been provided to Lenders, (2) Borrower has not been advised by the New First Mortgage Lender that it will decline to make the New First Mortgage Loan or that HUD will not insure the New First Mortgage Loan, and Borrower so certifies in writing to Lenders, (3) Borrower has not been advised by the New First Mortgage Lender that the amount of the New First Mortgage Loan must be less than the Minimum Amount, and Borrower so certifies in writing to Lenders, and (4) Borrower demonstrates that the New First Mortgage Lender and Borrower are continuing diligently and in good faith to pursue processing and closing of the New First Mortgage Loan, as demonstrated by evidence of continuing submission by Borrower to the New First Mortgage Lender of all documentation required by the New First Mortgage Lender in connection with the closing of the New First Mortgage Loan, as required by the New First Mortgage Lender, and continuing substantial negotiations by Borrower and the New First Mortgage Lender of the loan documents."

(d) Section 11(d) of the Agreement is hereby deleted in its entirety, and the following is hereby substituted in lieu thereof:

3
“(d) If the Expiration Date has been extended as provided in Section 11(c), above, the conditions set forth in this Section 11(d) are satisfied, and provided that there is no default by Borrower under the terms of this Agreement as of the Expiration Date, as extended pursuant to the provisions of Sections 11(b) and (c), above, Borrower shall have the further right to extend the Expiration Date to May 15, 2012 (the ‘Fourth Expiration Date’) (without payment of any fee for such extension) by providing written notice of such extension to CW Capital and PAMI on or before March 15, 2012 (the ‘Third Extension Deadline’). Borrower shall not have the right to extend the Expiration Date pursuant to this Section 11(d) unless each Lender determines that on the Third Extension Deadline and on the Third Expiration Date, (1) Borrower has not been advised by the New First Mortgage Lender that it will decline to make the New First Mortgage Loan or that HUD will not insure the New First Mortgage Loan, and Borrower so certifies in writing to Lenders, (2) Borrower has not been advised by the New First Mortgage Lender that the amount of the New First Mortgage Loan must be less than the Minimum Amount, and Borrower so certifies in writing to Lenders, (3) Borrower demonstrates that the New First Mortgage Lender and Borrower are continuing diligently and in good faith to pursue processing and closing of the New First Mortgage Loan, (4) Borrower has obtained a commitment for FHA mortgage insurance countersigned by the New First Mortgage Lender and the Borrower, and Borrower provides a copy of same to Lenders, and (5) a Rate Lock Agreement has been issued by the New First Mortgage Lender and accepted by the Borrower and providing for a closing date on or before the Expiration Date, as extended pursuant to this Section 11(d), and Borrower provides a copy of same to Lenders.

(e) Section 11(e) of the Agreement is hereby deleted in its entirety, and the following is hereby substituted in lieu thereof:

“(e) Notwithstanding any extension of the Termination Date pursuant to the provisions of this Section 11, in no event shall the Termination Date be later than May 15, 2012.”

(d) The address of PAMI set forth in Section 9 of the Agreement is hereby deleted, and the following is hereby substituted in lieu thereof:

“If intended for PAMI:

PAMI Mid-Atlantic LLC
c/o Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 38th Floor
New York, New York 10020
Attention: Joelle Halperin, Esq.
Telephone #: (646) 285-9066
E-mail: Joelle.halperin@lamcollc.com
with copies to:

PAMI Mid-Atlantic LLC
c/o Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 38th Floor
New York, New York 10020
Attention: Nicholas Horsfield
Telephone #: (646) 285-9021
E-mail: nicholas.horsfield@lamcollc.com

and

Clyde E. Click, Esq.
3475 Piedmont Road, NE
Suite 1910
Atlanta, Georgia 30305
Telephone #: (404) 760-2707
Telecopy #: (404) 760-2701
E-mail: cclick@clydeclick.com

5. **No Defenses.** Borrower hereby acknowledges and agrees that as of the date hereof Borrower has no defenses, claims or setoffs with regard to the enforcement of the Second Mortgage Note or the other Second Mortgage Loan Documents. Borrower hereby acknowledges that Lenders have complied with each and all of their respective obligations under the Second Mortgage Loan Documents. The terms of this Section 5 shall survive expiration or termination of this Agreement.

6. **Release.** IN CONSIDERATION OF LENDERS EXECUTING THIS AMENDMENT, BORROWER, ON BEHALF OF ITSELF AND ITS PARTNERS, MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "BORROWER PARTIES") HEREBY UNCONDITIONALLY AND IRREVOCABLY FULLY RELEASES, ACQUITS, SETTLES, AND DISCHARGES ANY AND ALL CLAIMS, COUNTERCLAIMS, LIABILITIES, DAMAGES, DEFENSES, DEMANDS AND CAUSES OF ACTION THAT ANY OF THE BORROWER PARTIES HAS OR MAY HAVE AGAINST PAMI, CWCAPITAL OR ANY OF THEIR RESPECTIVE MEMBERS, OFFICERS, DIRECTORS, MANAGERS, TRUSTEES, AGENTS, EMPLOYEES, ATTORNEYS, SERVICERS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "RELEASED PARTIES"), WHETHER OR NOT ACTING IN THEIR OFFICIAL CAPACITY WITH RESPECT TO PAMI OR CWCAPITAL, IN THEIR PERSONAL CAPACITY OR IN ANY OTHER CAPACITY, RELATED TO OR THAT MAY HAVE ARISEN, MAY ARISE OR ARE OR BECOME ASSERTABLE AS A RESULT OF EVENTS OCCURRING IN CONNECTION WITH THE FIRST MORTGAGE LOAN, THE FIRST MORTGAGE LOAN DOCUMENTS, THE SECOND MORTGAGE LOAN AND/OR THE SECOND MORTGAGE LOAN DOCUMENTS, TOGETHER WITH ANY AND ALL NEGOTIATIONS, DISCUSSIONS, ACTS, OMISSIONS, RENEWALS, EXTENSIONS, COLLATERAL
DOCUMENTS, AND OTHER AGREEMENTS AND ACTIONS RELATED THERETO, INCLUDING ANY CLAIMS, CAUSES OF ACTION OR DEFENSES BASED ON THE NEGLIGENCE OF PAMI AND/OR CWCAPITAL OR ANY OF THE RELEASED PARTIES OR ON ANY OTHER "LENDER LIABILITY" THEORIES OF, AMONG OTHERS, BAD FAITH, BREACH OF IMPLIED COVENANT OF GOOD FAITH, UNFAIR DEALING, DURESS, COERCION, CONTROL, MISREPRESENTATION, OMISSIONS, MISCONDUCT, OVERREACHING, UNCONSCIONABILITY, DISPARATE BARGAINING POSITION, RELIANCE, EQUITABLE SUBORDINATION, FRAUD, OR OTHERWISE, AND DO HEREBY INTEND TO RELEASE, COMPROMISE AND SETTLE SUCH CLAIMS AND MATTERS, WHETHER KNOWN OR UNKNOWN, WHETHER REDUCED TO JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, LEGAL, EQUITABLE, SECURED OR UNSECURED AND WHETHER THEY AROSE COLLATERALLY, DIRECTLY, DERIVATIVELY OR OTHERWISE BETWEEN ANY OF THE BORROWER PARTIES AND ANY OF THE RELEASED PARTIES FROM THE BEGINNING OF THE WORLD TO AND INCLUDING THE DATE OF THIS AMENDMENT (COLLECTIVELY, THE "RELEASED CLAIMS"). BORROWER HEREBY REPRESENTS AND WARRANTS TO PAMI AND CWCAPITAL THAT IT IS PRESENTLY THE LEGAL AND BENEFICIAL OWNER AND HOLDER OF ANY AND ALL OF THE RELEASED CLAIMS AND THAT IT HAS NOT HERETOFORE EXPRESSLY OR IMPLIEDLY ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED, SOLD, CONVEYED OR OTHERWISE DISPOSED OF, FOR THE BENEFIT OF CREDITORS OR OTHERWISE, ANY OF THE RELEASED CLAIMS.

The provisions of this Paragraph 4 shall survive any expiration or termination of this Agreement.

7. Ratification. Nothing contained herein shall be construed or interpreted as a modification or amendment of the Second Mortgage Loan Documents in any way, and the Second Mortgage Loan Documents are and shall remain valid, binding and enforceable in accordance with their terms, provided that Borrower shall have all rights contained in this Agreement. The Second Mortgage Loan Documents are and shall remain in full force and effect, and Borrower hereby ratifies and reaffirms its obligations under the Second Mortgage Loan Documents. Except as modified and amended in this Amendment, the Agreement remains unmodified and in full force and effect, and the parties hereby ratify and confirm the Agreement, as modified and amended herein.

8. No Further Commitment. Borrower acknowledges and agrees that (i) Lenders have no obligation whatsoever to discuss, negotiate or to agree to any further modification, amendment or extension of the Agreement, and (ii) if there are any future discussions between either Lender and Borrower concerning any such modification, amendment or extension, then no modification, amendment or extension shall constitute a legally binding agreement or contract or have any force or effect whatsoever unless and until reduced to writing and signed by authorized representatives of Lenders, and none of the parties hereto shall assert or claim in any legal proceedings or otherwise that any such agreement exists except in accordance with the terms of this section.

9. Entire Agreement. This instrument contains the entire agreement and understanding concerning the modification of the Agreement, and supersedes and replaces all
prior negotiations and agreements between the parties hereto, or any of them, whether written or oral with respect to such modification. The parties, and each of them, acknowledge that they have been represented by counsel of their own choice in the negotiations, and in the preparation, of this Amendment. The parties hereto acknowledge that no other party or agent or attorney of any other party has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce any other party to execute this Agreement, and each party hereto acknowledges that it has not executed this instrument in reliance upon any such promise, representation, or warranty not contained herein.

10. **Severability and Waiver.** If any provision of this Amendment is held to be invalid, void, or unenforceable, the balance of the provisions shall, nevertheless, remain in full force and effect and shall in no way be affected, impaired, or invalidated provided that upholding the balance of the provisions without the invalid, void or unenforceable provision does not change the fundamental nature of this Amendment. The waiver of any one provision of this Agreement shall not be deemed a waiver of any other provision.

11. **Amendments.** This Amendment may be changed, modified, or amended only by a written instrument signed by all parties.

12. **Successors.** This Amendment shall be binding upon and inure to the benefit of each of the parties and their respective assigns, successors in interest, and legal representatives.

13. **Applicable Law.** This Amendment is made and entered into in the State of New York and shall in all respects be interpreted and enforced and governed by and under the laws of such State.

14. **Counterparts.** This Agreement may be executed in multiple counterpart copies, or by facsimile signature or by electronic mail transmitted in .PDF format, each of which shall be deemed an original.

*The balance of this page is intentionally left blank.*
IN WITNESS WHEREOF, the parties hereto have duly caused the execution of this Agreement as of the day and year first above written.

BORROWER:

CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership

By: ____________________________
    Edward W. Brice, Jr.
    General Partner

By: WARNER SERVICES, INC., a Massachusetts corporation, General Partner

By: ____________________________
    Edward W. Brice, Jr.
    President

[signatures continue on next page]
LENDERS:

PAMI MID-ATLANTIC LLC, a Delaware limited liability company

By: __________________________
    Authorized Signatory

CWCAPITAL LLC, a Massachusetts limited liability company

By: __________________________
    Authorized Signatory

First Amendment of Agreement Regarding Loan, Clocktower II, Deal ID# TN18.
Using new 223f first mortgage by Eastern Mortgage Capital (EMC).

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<tr>
<td>Title Insurance (8)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Borrower Legal Fees - loan closings (9)</td>
<td>$40,000</td>
</tr>
<tr>
<td>Borrower Legal Fees - organizational and other (9)</td>
<td>$30,000</td>
</tr>
<tr>
<td>Miscellaneous out-of-pocket costs, estimate</td>
<td>$42,000</td>
</tr>
<tr>
<td>Total Estimated Costs and Escrows</td>
<td>$499,870</td>
</tr>
</tbody>
</table>

Leaves: $8,360,130

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of first mortgage balance (10)</td>
<td>$5,122,833</td>
</tr>
<tr>
<td>Net proceeds</td>
<td>$3,237,297</td>
</tr>
<tr>
<td>Paydown of HODAG to City of Nashua @ 90/10</td>
<td>10% $323,730</td>
</tr>
<tr>
<td>Discounted payoff of PAMI Note - proposed minimum amount</td>
<td>90% $2,813,567</td>
</tr>
</tbody>
</table>

(1) PAMI agreement specifies maximum of $500K can be deducted from loan amount before Net Proceeds.

(1) Covers the costs of the appraisal, market study (if required), credit reports, PCNA, and environmental reports.

(2) This legal fee is an estimate by EMC. Final fee may be higher, given need of EMC's counsel to review affordability restrictions and two levels of subordinate financing.

(3) Estimated legal fee for review of purchase and re-writing of terms on current PAMI note, amendment(s) to HODAG to accommodate new FNMA financing, etc.

(4) Phase II testing by EBI in Nov. 09 found levels of several compounds at reportable levels in a specified area. The $15,000 number is a guess only; if remediation is required, the cost would follow from the specs of the requirement.

(5) Fantini & Gorga acts as correspondent for EMC.

(6) Fixed fee charged by Fantini & Gorga to coordinate loan terms and closing between EMC, City of Nashua, PAMI/Trimount, and CW Capital. Covers business terms of PAMI loan purchase and restructuring, subordination and other terms of City of Nashua HODAG note, etc.

(7) It is anticipated that the balance of the replacement reserve currently held by CW Capital will be transferred to the new first mortgage lender and that no additional deposit will be required at closing. It is also anticipated that no repairs will be required by the new lender. The new lender's engineering analysis will test this.

(8) Estimate of title insurance cost for EMC first mortgage. Actual cost of title insurance may be higher if title insurance is required by the City of Nashua on the HODAG as amended.

(9) Estimate of borrower's legal expense for negotiating payoff of 2d mortgage, negotiating restructuring of HODAG into 2d mortgage, lender required opinions, review of multiple mortgage documents and drafting of several mortgage and other documents, review of affordability restrictions, organizational documents, etc.

(10) Balance $5,105,833 at 12/31/11. Assume $8500/mo+/- amortization to closing on 11/1/11

Minimum loan to satisfy PAMI assuming $500K costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lehman minimum - per agreement</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>PAMI Minimum: (80% Lehman + 20% CW)</td>
<td>0.8 $2,875,000</td>
</tr>
<tr>
<td>Required net proceeds - 10% to City</td>
<td>0.9 $3,194,444</td>
</tr>
<tr>
<td>Plus maximum transaction costs</td>
<td>$500,000</td>
</tr>
<tr>
<td>Plus 1st mortgage repayment 11/1/11</td>
<td>$5,122,833</td>
</tr>
<tr>
<td>Gross loan amount 11/1/11</td>
<td>$8,617,277</td>
</tr>
</tbody>
</table>

(A) Subject to maximum of 500K - then borrower must kick in (A)
FIRST AMENDMENT TO DEVELOPMENT NOTE

This First Amendment to Development Note ("Development Note") is made this _____ day of _________________, 2011 between the City of Nashua, a New Hampshire municipal corporation with an address of 229 Main Street, Nashua, New Hampshire 03060 (the "City") and Clocktower Housing Associates Limited Partnership, a New Hampshire limited partnership with an address of P.O. Box 51027, Boston, Massachusetts 02205 ("Clocktower").

RECITALS

1. On August 1, 1991, Clocktower made a Promissory Note in the original principal amount of $6,259,267 payable to Warner Services, Inc. (the "Development Note"). On December 14, 1995 Warner Services, Inc., endorsed and assigned the Development Note to the City pursuant to the Second Amendment to HDG Construction Loan Mortgage, dated December 14, 1995, and recorded at the Hillsborough County Registry of Deeds at Book 5685, Page 696.

2. Clocktower is refinancing and restructuring certain debts associated with its real property located at 2 Clocktower Place, Nashua, New Hampshire with eastern Capital Mortgage ("New Lender") through the FHA’s 223(f) Mortgage Insurance program, provided (i) the New Lender holds a first priority mortgage position for approximately $8,900,000; and (ii) certain modifications are made to the Development Note.

3. The Development Note matured on October 1, 2010. The City did not demand payment on the Development Note nor declared Clocktower in default.

4. Clocktower and the City now desire to confirm the terms of the Development Note, and make other certain amendments as described below.
NOW THEREFORE, the parties agree as follows:

1. Except as amended below, all of the terms and conditions of the Development Note remain in full force and effect.

2. The maturity date of the Development Note is extended from October 1, 2010, to ________________, 20___, being the date is co-terminous with the New Lender’s note and mortgage (expected to be 11/1/46).

3. The second sentence of the Development Note is deleted in its entirety and replaced as follows:

   The Borrower (Clocktower) shall not be required to make any payments of principal or interest on this Note until such time as the HDG Construction Loan Note, dated November 20, 1989, made by Clocktower to the City, is paid in full. If not sooner paid, the Borrower, after payment of the HDG Construction Loan Note, shall not be required to make any payments of principal of or interest on this Note except out of available cash receipts prior to any distributions to and among the Partners.

4. The Development Note shall be subordinate to the New Lender’s note and mortgage.

CLOCKTOWER HOUSING ASSOCIATES LIMITED PARTNERSHIP, a New Hampshire limited partnership

_________________________ 2011

By: _______________________

Edward W. Brice, Jr.
General Partner
WARNER SERVICES, INC., a Massachusetts corporation, General Partner

By: Edward W. Brice, Jr.
President

CITY OF NASHUA

Donnalee Lozeau, Mayor
RESOLUTION  R-11-145
AUTHORIZING AN AGREEMENT TO
RESTRUCTURE THE DEBT OF
CLOCKTOWER HOUSING ASSOCIATES
LIMITED PARTNERSHIP

IN THE BOARD OF ALDERMEN

1ST READING         SEPTEMBER 13, 2011

Referred to:

FINANCE COMMITTEE

2nd Reading         SEPTEMBER 27, 2011
3rd Reading
4th Reading

Other Action

Passed             SEPTEMBER 27, 2011

Indefinitely Postponed

Defeated

Attest:  

City Clerk

President

Approved          

Mayor's Signature  

Date           

Endorsed by

MAYOR

Vetoed:

Veto Sustained:

Veto Overridden:

Attest:  

City Clerk

President