U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LOAN CONTRACT AND TRUST AGREEMENT
(Sections 106(h) Homeownership Assistance "Elderly" Loans/Section 202 Housing for the Elderly or Handicapped Projects)

This Loan Contract and Trust Agreement made and entered into this __________ day of __________, 19____ by and between the UNITED STATES OF AMERICA, Secretary of Housing and Urban Development, (hereinafter called "Secretary") and __________, a private nonprofit corporation organized and existing under and by virtue of the laws of the State of __________, having its principal office at __________, (hereinafter called "Borrower").

WHEREAS, the Borrower intends to construct a housing project and to make an application to the Secretary for a commitment for a loan under the provisions of Section 202 of the National Housing Act, and the regulations issued pursuant thereto, and

WHEREAS, the Borrower has applied for "Elderly" loans in accordance with Section 106(h) of the Housing and Urban Development Act of 1968 and the regulations issued pursuant thereto under Part 271 of Title 24 of the Code of Federal Regulations, and

WHEREAS, the application has been reviewed by the appropriate HUD field office which has made a determination that financial assistance applied for will carry out the purposes of Section 106(h) and Part 271 and that the Borrower is eligible for such assistance, and

WHEREAS, funds for the maximum amount of loan assistance available hereunder have been reserved by the Secretary,

NOW, THEREFORE, the parties mutually agree as follows:

1. The Borrower has commenced planning a housing project for the elderly or handicapped under Section 202 of the National Housing Act identified as

and hereby represents that it possesses sufficient financial resources, combined with the advances to be made hereunder by the Secretary, to complete successfully the project, including, in the event of default, repossession, foreclosure, or other disposition of the mortgaged property, and such financial resources shall be such as to carry out the purposes of the project and to make available to the Secretary, upon request, such amount of moneys as may be necessary to complete the project.

2. Upon approval of the application for a nonprofit corporations assistance "Elderly" loans under Section 106(h), the Secretary will provide to the Borrower a copy of this instrument as amended by HUD. Delivery of this instrument shall constitute the Secretary's acceptance of the terms of this agreement and both parties shall thereafter be fully bound by the terms of this agreement and said application which is incorporated herein and made a part hereto. The instrument (a) to be made by the Secretary pursuant to this agreement shall not exceed $25,000,000, and the total loan amount cannot, in any event, be increased beyond $50,000,000.

3. The Borrower covenants that it has expended or will expend simultaneously with execution of this agreement, an amount representing at least 20% of the total estimated "Elderly" expenses. Such amount shall comprise the Borrower's initial cash contribution which shall be restricted to such expenditures. The Borrower covenants that in such event or has available and can document a cash contribution of 20% of the total estimated expenses. Such amount shall comprise the Borrower's initial cash contribution which shall be restricted to such expenditures. The Borrower covenants that in such event or has available and can document a cash contribution of 20% of the total estimated expenses. Such amount shall comprise the Borrower's initial cash contribution which shall be restricted to such expenditures. The Borrower covenants that in such event or has available and can document a cash contribution of 20% of the total estimated expenses. Such amount shall comprise the Borrower's initial cash contribution which shall be restricted to such expenditures. The Borrower covenants that in such event or has available and can document a cash contribution of 20%

4. The Borrower agrees to use "Elderly" loans proceeds only for those reasonable and actual expenses for which they are intended pursuant to the terms of this agreement. The Borrower agrees to maintain such funds in a trust account and to file a certificate of compliance with the requirements of the Housing Act and the regulations issued pursuant thereto. The Borrower agrees to use such funds for the purposes of the project and to account to the Secretary for such proceeds. The Secretary reserves the right to require the Borrower to repay any funds not used for the purposes of the project.

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proceeds shall be expended only for the purposes set forth in the application and in the amount specified herein. The Borrower agrees that each of the following expenditures shall be approved in advance by the Secretary. The Borrower agrees that the following percentages of allowable costs for each of the following items are the maximum percentages (including the Borrower's usual overhead costs) for such items:

<table>
<thead>
<tr>
<th>Item</th>
<th>Maximum Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary site investigations (survey and topographical surveys)</td>
<td>100</td>
</tr>
<tr>
<td>Architectural design</td>
<td>80</td>
</tr>
<tr>
<td>Site options</td>
<td>100</td>
</tr>
<tr>
<td>Organization expenses (travel, telephone, facility rentals)</td>
<td>75*</td>
</tr>
<tr>
<td>Insurance, and similar expenses of the proposed mortgage</td>
<td></td>
</tr>
<tr>
<td>Legal fees</td>
<td>15</td>
</tr>
<tr>
<td>Supplemental management fees</td>
<td>25</td>
</tr>
<tr>
<td>Construction fees</td>
<td>85</td>
</tr>
</tbody>
</table>

*Not to exceed $750

The Borrower expressly covenants to exercise its best efforts to secure all required permits and approvals. The Borrower agrees to maintain and keep complete records in accordance with instructions from the Secretary of all disbursements from the trust account, and to account for all receipts and disbursements to the Secretary at the time of the first disbursement of mortgage proceeds and at such other times as may be required by the Secretary, and to make such records available to the Secretary upon request.

9. No interest shall be charged on the "good money" loan provided the Borrower complies with the terms of this agreement and in Section 101(b) and the Part 271 regulations. If the Borrower fails to so comply, the entire amount of the loan shall immediately become due and payable.

The Borrower promises to repay to the Secretary the total amount of advances made in accordance with the agreement, including any unexpended funds remaining in the trust account. The loan shall be repayable in full within two months from the date of the final disbursement by the Secretary under this agreement, or at such earlier time as the Borrower may receive any "good money" advances from the proceeds of construction financing or from other sources. Said maturity date may be extended by the Secretary in writing provided there is reasonable assurance that the Section 202 loan will be closed at a later time. Where any portion of the funds disbursed from the trust account is not authorized by HUD to be recovered from the first disbursement of mortgage proceeds, the maturity for this portion of the loan shall be extended to the date of the final disbursement of mortgage proceeds. In the event the Section 202 proposal proves unfinalizable as determined by the Secretary or is withdrawn by the applicant, the entire amount of this loan shall immediately become due and payable.

7. The Secretary agrees to accept and process a request for cancellation of all or any portion of the "good money" loan which is not in excess of 80 percent of the total allowable expenditures certified to by the Borrower and approved by the Secretary. In the event the Section 202 proposal proves unfinalizable and the Borrower is unable to submit permanent financing for any reason or in the event the Borrower is unable to recover sufficient funds from mortgage proceeds or any other source (including sale of the Borrower's assets) to repay the loan, as determined by the Secretary. The Borrower shall be required to submit with such cancellation request a full and complete accounting, satisfactory to the Secretary, of all "good money" funds expended, including all funds disbursed from the trust account. Together with the Borrower's certification that all funds were in payment of expenditures listed in the application and approved by the Secretary. The Secretary will not accept any portion of the "good money" loan unless the following conditions are met by the Borrower:

a) Any unexpended funds in the trust account must be returned to the Secretary for appropriate adjustment along with the written request for cancellation.

b) In the event of partial recovery of "good money" expenses from mortgage proceeds, all amounts recovered must be applied first toward repayment of the "good money" loan.

c) In the event the "good money" loan is secured by a loan on the site or other assets were purchased or developed with "good money," such other assets or equity must be sold at fair market value and the net proceeds (sales price less sales expenses and sales expenses) used to repay the "good money" loan in the current priority.

d) The Borrower must be in compliance with the terms of this agreement.
4) The Borrower must certify that no other project using the same site and plans is contemplated or feasible.

5) The Borrower must document that it has contributed and is unable to recover an initial cash contribution totaling at least 20% of all "seed money" expenditures.

Dated: _____________________________

(Name of Borrower)

(Signature of Authorized Borrower Official)

Dated: _____________________________

(Fund Reserves by OPA)

Dated: _____________________________

Secretary of Housing and Urban Development
By: Assistant Secretary for Housing/
Federal Housing Commissioner

By: _____________________________

(Signature of Authorized Agent)