
AMERICAN HOUSING FOUNDATION, INC.

and

CITIZENS BANK, N.A.

LIMITED GUARANTY AGREEMENT

Dated as of April 1, 2007

Columbia Crest Project
427 Columbia Street, City of Cohoes,
County of Albany, State of New York

LIMITED GUARANTY AGREEMENT

For valuable consideration, the receipt whereof by the undersigned is hereby acknowledged, and to induce **CITIZENS BANK, N.A.**, a national banking association having an office and place of business located at 833 Broadway, Albany, New York 12207 (hereinafter called "the Bank") to extend credit to **AHF – COLUMBIA CREST, LLC**, a New York limited liability company having an office at 317 Brick Church Road, Troy, New York 12180 (hereinafter called the "Principal"); the undersigned, **AMERICAN HOUSING FOUNDATION, INC.**, a New York corporation having an office at 317 Brick Church Road, Troy, New York 12180 (hereinafter called the "Guarantor"), does hereby unconditionally and irrevocably guarantee to said the Bank and to the endorsees, transferees, successors or assigns of either this Guaranty or any of the obligations secured hereunder, or both, the prompt payment (and not merely the collectability) of interest and principal, under that certain Reimbursement Agreement in the principal sum of Five Million Five Hundred Forty Eight Thousand One Hundred Sixteen and 00/100 Dollars U.S. (\$5,548,116.00) of even date herewith, given by Principal and payable to the Bank, including any renewals, modifications or extensions thereof (the "Reimbursement Agreement"), together with fees, expenses and other charges thereunder and does hereby agree that if the Reimbursement Agreement is not paid by the Principal in accordance with its terms, or if all sums which may hereafter become due from Principal to the Bank are not paid by Principal in accordance with its terms, the Guarantor will immediately do so upon demand by the Bank.

This is a continuing Guaranty and may not be revoked by Guarantor. Upon demand made by the Bank upon Guarantor after a failure by the Principal to pay the Reimbursement Agreement in accordance with its terms, Guarantor shall promptly pay to the Bank the principal balance of the Reimbursement Agreement, plus all accrued interest, together with any applicable prepayment premiums, costs, expenses and other charges that may be due to the Bank (collectively, the "Indebtedness").

The obligations covered by this Guaranty also include the obligations of the Principal under the Reimbursement Agreement and the obligations under that certain Mortgage, Security Agreement and Financing Statement of even date herewith from the Guarantor, which further secures the Principal's indebtedness (the "Mortgage") and such other documents securing, evidencing or otherwise executed by Principal in connection with the Reimbursement Agreement ("Credit Documents"), either now existing, or hereafter coming into existence, and any renewals or extensions, in whole or in part, together with all damages, losses, costs, interest, charges, expenses, including reasonable attorneys' fees and liabilities of every kind, nature and description suffered or incurred by the Bank arising in any manner out of, or in any way connected with or growing out of the Reimbursement Agreement and the Mortgage.

Guarantor hereby consents and agrees that the Bank may, at any time, either with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf, or for its account securing any indebtedness or liability covered by this Guaranty, or substitute for any collateral so held by it, other collateral of like kind, or of any kind, or modify the terms of the Reimbursement Agreement without notice to or further consent of the Guarantor and such surrender, substitution or modification shall not in any way affect the liability of the Guarantor hereunder.

The Bank shall have the right to proceed against the Guarantor or the property described in the Mortgage (the "Property") without first proceeding against the Principal.

Guarantor hereby agrees that extensions of time in respect of any obligation covered by this Guaranty may be granted by the Bank to the Principal without notice to the Guarantor and without thereby affecting the liability of the Guarantor under this Guaranty in any respect; the Guarantor waives notice of acceptance of this Guaranty by the Bank, or of the extension, modification or renewal of any obligation of the Principal to which it relates, or of any default by the Principal. The Guarantor agrees that no act or omission on the part of the Bank shall in any way affect or impair this Guaranty. Guarantor further waives any demand by the Bank, as well as any notice of non-performance or non-payment by the Principal herein or any statutory provision requiring the Bank's exhaustion of remedies or instituting of suit against the Principal prior to exercising its rights under this Guaranty.

This Guaranty is made subject to all the terms, conditions, agreements or stipulations contained in the Reimbursement Agreement evidencing the obligations hereby guaranteed.

Guarantor hereunder shall be fully obligated for all of the obligations guaranteed hereby as fully and to the same extent as if Guarantor was the maker and endorser of such Reimbursement Agreement.

In the event it becomes necessary for the Bank to enforce this Guaranty by legal action, the Guarantor hereby waives the right to be sued in the county of Guarantor's residence; and if this Guaranty is placed in the hands of an attorney at law for enforcement, Guarantor hereby agrees to pay the costs thereof, and a reasonable sum as an attorney's fee for such enforcement. Anything in this Guaranty to the contrary notwithstanding, if from any circumstances whatever fulfillment of any provisions which shall be due under the Reimbursement Agreement shall involve transcending the limit of validity prescribed by the usury statutes of the State of New York or any other law of the State of New York, then in fact the obligations to be fulfilled shall be reduced to the limit of such validity so that in no event shall enforcement of remedies be possible under this Guaranty in excess of the limit of such validity.

The Guaranty and all obligations of Guarantor hereunder shall cease and determine at the time the Bank receives payment in full of all sums payable to it by the Principal under the Reimbursement Agreement.

The Guarantor hereby agrees to indemnify the Bank and hold it harmless from and against any and all losses, expenses and damages incurred by the Bank in connection with or as a result of the assertion of any and all claims for the return of moneys (including the proceeds of any collateral) received or applied by the Bank in partial or full payment of the Indebtedness, including without limitation all claims based upon allegations that moneys so received by the Bank constituted trust funds under the Lien Law of the State of New York or other applicable laws, or that the payment of such moneys or the giving of such collateral to the Bank constituted a preference or fraudulent transfer under the Bankruptcy Code or any other applicable statute. This indemnity shall extend to and include all moneys recovered from or paid over by the Bank as a result of such claims, regardless of the basis thereof, and all costs and expenses including reasonable attorney's fees incurred by the Bank in investigating, evaluating and contesting such

claims, regardless of the outcome. This indemnity may be terminated only in conjunction with the termination of this Agreement in the manner herein provided, except that the Guarantor's liability pursuant to this paragraph shall survive any termination of this Agreement to the extent of all moneys (including proceeds of any collateral) received by the Bank on account of that portion of the Indebtedness (and any renewals, modifications or extensions thereof, whether made before or after such termination) for which the Guarantor under the terms of this Agreement remains liable notwithstanding such termination, whether such moneys are recovered from, or paid over by, the Bank before or after such termination.

Guarantor agrees that this Guaranty shall inure to the benefit of and may be enforced by the Bank, or its endorsees, transferees, successors and assigns, and shall be binding upon and enforceable against the Guarantor and Guarantor's legal representatives, heirs, successors and/or assigns.

Guarantor will advise the Bank in writing if Guarantor operates on other than a calendar year basis. Guarantor will at all times keep proper books of record and account in which full, true and correct entries shall be made in accordance with generally accepted accounting principles and will deliver to the Bank:

(a) As soon as available and, in any event, within one hundred fifty (150) days after the end of each Fiscal Year, audited financial statements of the Guarantor as of the end of such year, including a balance sheet, income statement and statements of cash flows and changes in financial position and/or changes in fund balances, as applicable, of the Guarantor for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on, and prepared in accordance with GAAP, consistently applied, by the Accountant, whose report shall state that such financial statements present fairly the Guarantor's financial position as of the end of such Fiscal Year and the results of operations and changes in financial position for such Fiscal Year, (A) a certificate executed by the chief financial officer of the Guarantor certifying compliance with the requirements of Section 8.24 of the Reimbursement Agreement and stating whether any noncompliance occurred during the period in question, and containing the calculations used to document compliance therewith; (B) a certificate executed by the chief financial officer of the Guarantor certifying that all payments of principal and interest on the Bonds (as defined in the Reimbursement Agreement) have been made; and (C) a statement by the chief financial officer of the Guarantor that s/he has no knowledge of any Default or Event of Default or if in the opinion of the chief financial officer of the Guarantor any such Default or Event of Default shall exist, a statement as to the nature and status thereof. Each such certificate shall be accompanied by an attached and referenced schedule setting forth in reasonable detail the computations necessary to ascertain compliance.

(b) As soon as available and, in any event, within sixty (60) days after the end of each fiscal quarter, cash-based operating statements of the Guarantor and the Property as of the end of such three months, prepared in accordance with GAAP, consistently applied, and (ii) as soon as available and, in any event, within forty-five (45) days after the end of each fiscal quarter, unaudited financial statements as of the end of such three (3) months, prepared in accordance with GAAP, consistently applied;

(c) The Bank must receive a certified rent roll for the Property, and marketing updates at the end of each calendar quarter, prior to achieving a 1.05:1.00 Debt Service Coverage

Ratio, or when requested by the Bank, to be in all respects satisfactory to the Bank, in its sole discretion;

(d) Simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a certificate of an Authorized Representative of the Guarantor who is the principal financial or accounting officer presenting the calculation of Debt Service Coverage Ratio, and stating whether there exists on the date of such certificate any Event of Default or event which with notice or lapse of time or both would constitute an Event of Default and, if any Event of Default or such event then exists, setting forth the details thereof and the action that the Guarantor is taking or proposes to take with respect thereto.

(e) Simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a certificate of an Authorized Representative of the Guarantor who is the principal financial or accounting officer stating that the Guarantor is in compliance with Section 8.36 of the Reimbursement Agreement, the balance of such cash, deposits and cash-equivalent investments as of the end of the respective fiscal period, whether there exists on the date of such certificate any Event of Default or event which with notice or lapse of time or both would constitute an Event of Default and, if any Event of Default or such event then exists, setting forth the details thereof and the action that the Guarantor is taking or proposes to take with respect thereto;

(f) Promptly upon receipt thereof, copies of all management letters and definitive written reports submitted to the Guarantor by independent accountants in connection with any annual or interim audit of the books of the Guarantor.

(g) Within fifteen (15) days after submittal, copies of any and all financial reporting submitted by or on behalf of the Guarantor to the New York State Attorney General, and/or any other regulatory agencies;

(h) Upon the Bank's request, a report of the occupancy of the Property, in form and substance satisfactory to the Bank;

(i) Promptly, notice of any development, financial or otherwise, which may be reasonably expected to affect adversely the business, the Property, or the affairs or prospects of the Guarantor; and

(j) Promptly after request, such other information (financial or otherwise) as the Bank reasonably may request from time to time.

Guarantor expressly agrees that the Bank may, in its sole and absolute discretion, without notice to or further assent of the Guarantor and without in any way releasing, affecting or impairing the obligations and liabilities of the Guarantor hereunder: (i) waive compliance with, or waive any defaults under, or grant any other indulgences with respect to the Credit Documents; (ii) modify, amend or change any provisions of the Credit Documents; (iii) grant extensions or renewals of or with respect to the Credit Documents, and/or effect any release, compromise or settlement in connection with the Credit Documents; (iv) make advances for the purpose of performing any term of covenant contained in the Credit Documents; (v) assign, sell or otherwise transfer the Credit Documents or this Guaranty or any interest therein or herein, and (vi) deal in all respects with the Principal as if this Guaranty was not in effect. All of the

obligations of the Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of the genuineness, validity, regularity or enforceability of the Credit Documents or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor and to the extent of any inconsistency or conflict between this Guaranty and the Credit Documents or the Mortgage, this Guaranty shall control.

This is a Guaranty of Payment, not of collection. The liability of the Guarantor under this Guaranty shall be primary, direct and immediate and not conditional or contingent upon pursuit by the Bank of any remedies it may have against the Principal, its successors and assigns, with respect to the Reimbursement Agreement or the Mortgage, whether pursuant to the terms thereof or by law. Without limiting the generality of the foregoing, the Bank shall not be required to make any demand on the Principal or to sell at foreclosure or otherwise pursue or exhaust its remedies against the Property covered by the Mortgage or any part thereof or against the Principal before, simultaneously with, or after enforcing its rights and remedies hereunder against the Guarantor. Any one or more successive and/or concurrent actions may be brought hereon against the Guarantor either in the same action, if any, brought against the Principal in separate actions as often as the Bank may deem advisable.

The Guarantor hereby expressly waives (i) presentment and demand for payment of the principal or the interest on the Credit Documents and protest of non-payment, (ii) notice of acceptance of this Guaranty and of presentment, demand and protest, (iii) notice of any default hereunder or under the Credit Documents and of all indulgences, (iv) demand for observance, performance, or enforcement of any terms or provisions of this Guaranty, the Credit Documents, and (v) all other notices and demands otherwise required by law which the Guarantor may lawfully waive. The Guarantor further agrees that in the event this Guaranty shall be enforced by suit or otherwise the Guarantor will reimburse the Bank, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees.

Anything herein or in the Credit Documents to the contrary notwithstanding, the Bank, at its option, may, as to the Guarantor, accelerate the indebtedness evidenced and secured by the Credit Documents in the event of the making by the Guarantor of an assignment for the benefit of creditors or appointment of a trustee or receiver for the Guarantor or for any property of the Guarantor or the commencement of any proceeding by or against the Guarantor under any bankruptcy reorganization, arrangement, insolvency, readjustment, receivership or like law or statute.

If the Guarantor shall advance any sums to the Principal or its successors or assigns, or if the principal or its successors or assigns shall hereafter become indebted to the Guarantor, such sums and indebtedness shall be subordinate in all respects to the amounts then or thereafter due and owing to the Bank under the Reimbursement Agreement and the Mortgage. Nothing herein contained shall be construed to give the Guarantor any right of subrogation in and to the Reimbursement Agreement and the Mortgage or all or any part of the Bank's interest therein, until all amounts owing to the Bank have been paid in full.

All rights and remedies afforded to the Bank by reason of this Guaranty or by law are separate and cumulative, and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies. No delay or omission by the Bank in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies

hereunder, and no modification or amendment hereof, shall be deemed made by the Bank unless in writing and duly signed by the Bank. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of the Bank, and no single or partial exercise of any right or remedy hereunder shall preclude any other or further exercise thereof or any other right or remedy.

Guarantor represents and warrants to the Bank that it has examined or had an opportunity to examine the Credit Documents, that it has full power, authority and legal right to execute and deliver this Guaranty, and that this Guaranty is a binding legal obligation of the Guarantor, and is fully enforceable against the Guarantor in accordance with its terms.

Guarantor shall mean the undersigned, and as used herein, Guarantor shall be deemed, whenever appropriate in the context, to include the singular and plural.

WAIVER OF JURY TRIAL. GUARANTOR HEREBY, AND THE BANK BY ITS ACCEPTANCE HEREOF, EACH WAIVE THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS GUARANTY, THE REIMBURSEMENT AGREEMENT OR THE MORTGAGE, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY A JUDGE SITTING WITHOUT A JURY; FURTHER, GUARANTOR HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF NEW YORK AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

The Bank is hereby given a lien upon and a security interest in all property of the Guarantor now or at any time hereafter in the possession of the Bank in any capacity whatsoever including, but not limited to, any balance or share in any deposit, trust or agency account as additional security for payment of the Indebtedness, and the Bank shall, in addition to those rights granted to the Bank in this or any other agreement between the Bank and the Guarantor, have all the rights and remedies under the Uniform Commercial Code and any other applicable law as shall from time to time be in effect in New York.

This Guaranty sets forth the entire agreement and understanding of the Bank and Guarantor, and Guarantor absolutely, unconditionally and irrevocably waives any and all right to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations of the Guarantor under this Guaranty or the obligations of any other person or party (including, without limitation, principal) relating to this Guaranty or the obligations of the Guarantor under the Guaranty or otherwise with respect to the Indebtedness in any action or proceeding brought by the holder hereof to collect the Indebtedness or any portion thereof, or to enforce, the obligations of the Guarantor under this Guaranty. The Guarantor acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to this Guaranty or with respect to the obligations of the Guarantor under this Guaranty, except as specifically set forth in this Guaranty.

Limited Obligation of the Guarantor.

Notwithstanding any provisions of this Limited Guaranty to the contrary:

(A) The obligations of the Guarantor hereunder are limited obligations of the Guarantor. No recourse can be had against any Property or assets of the Guarantor (except those expressly pledged under the Credit Documents {as that term is defined in the Mortgage}) or any affiliate of the Guarantor or any of the managers, officers, directors, agents or employees of the Guarantor or affiliate of the Guarantor, nor are any of the managers, officers, directors, agents or employees thereof, respectively, obligated to contribute or advance any moneys toward the completion of the Project Facility or the payment of the Guarantor's obligations hereunder (except for the Environmental Indemnity Agreement).

(B) The Bank shall not enforce the liability and obligation of the Guarantor to perform and observe the obligations under any of the Credit Documents (except for the Environmental Indemnity Agreement), by any action or proceeding wherein a money judgment should be sought against the Guarantor, except that the Bank may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable the Bank to enforce and realize upon its interest in the Mortgage and the other Credit Documents or in the Project Facility and any other such collateral given to the Bank pursuant to the Credit Documents (including, but not limited to, the pledged accounts and the pledged revenues and other collateral pledged to the Bank in the Continuing General Security Agreement); provided, however, that except as specifically provided herein any judgment in any such action shall be enforceable against the Guarantor, only to the extent of the Guarantor's interest in the Project Facility and in any other collateral given to the Bank under the Credit Documents (except for the Environmental Indemnity Agreement). The provisions of this Section shall not constitute a waiver, release or impairment of any of the obligations evidenced or secured by the Credit Documents; or impair the right of the Bank to name the Guarantor as a party defendant in any action or suit for foreclosure or sale under the Mortgage; or impair the right of the Bank to obtain the appointment of receiver; or impair the enforcement of the Mortgage; or constitute a waiver of the right of the Bank to enforce the liability and obligations of the Guarantor, by money judgment or otherwise, to the extent of any loss, damage, cost, expense, liability, claim, or other obligation incurred by the Bank (including reasonable attorneys' fees and costs) arising out of or in connection with the following:

- (1) fraud or intentional misrepresentation by the Guarantor;
- (2) the removal or disposal by the Guarantor or any portion of the Property after an Event of Default;
- (3) the misapplication or conversion by the Guarantor of: (i) any insurance proceeds paid by reason of any loss, damage or destruction of the Property; (ii) any award or other amounts received in connection with condemnation of all or a portion of the Property; (iii) any rents received by the Guarantor after an Event of Default; or (iv) any other collateral pledged to the Bank (including but not limited to, pledged accounts and pledged revenues given in the Continuing General Security Agreement);
- (4) any security deposits collected with respect to the Property which are not delivered to the Bank upon foreclosure of the Property or in any action in lieu thereof, except to the extent such security deposits were applied in accordance with the terms or

conditions of the Project Lease, the Ground Lease or the Sublease Agreement prior to the occurrence of the Event of Default that gave rise to such action.

(C) The foregoing limitation shall not apply to (i) the obligations of the Guarantor to the Issuer (as defined in the Reimbursement Agreement) with respect to any Unassigned Rights, and (ii) the obligations of the Guarantor to the Indemnitees pursuant to the Environmental Compliance and Indemnification Agreement dated today.

IN WITNESS WHEREOF, the Guarantor has hereunto executed this Guaranty as of the 1st day of April, 2007.

“GUARANTOR”:

AMERICAN HOUSING FOUNDATION, INC.

By: GARRY J. KEARNS
Name: Garry J. Kearns
Title: Executive Director

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On the 13th day of April, in the year 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared **Garry J. Kearns**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Robert G. Wakeman
Notary Public

ROBERT G. WAKEMAN
Notary Public, State of New York
No. 4707138
Qualified in Albany County
Commission Expires Feb. 28, 2010