
HOUSING TRUST FUND CORPORATION

and

CITIZENS BANK, N.A.

and

AMERICAN HOUSING FOUNDATION, INC.

and

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

and

AHF - COLUMBIA CREST, LLC

HOUSING TRUST FUND PROGRAM

SUBORDINATION AND FIRST MORTGAGEE WAIVER AGREEMENT

DATED AS OF APRIL 1, 2007

This instrument affects real and personal property situated in the State of New York, Tax Map #10.14-1-4, County of Albany, City of Cohoes, commonly known as the Columbia Crest Senior Housing Project.

RECORD AND RETURN TO:

STATE OF NEW YORK
HOUSING TRUST FUND CORPORATION
38-40 State Street
Albany, New York 12207
Attention: Counsel's Office
SHARS I.D. No. 20020626

SUBORDINATION AND FIRST MORTGAGEE WAIVER AGREEMENT

THIS AGREEMENT, made as of April 1, 2007, by and between HOUSING TRUST FUND CORPORATION, a public benefit corporation, with an office at Hampton Plaza, 38-40 State Street, Albany, New York, 12207, (the "Corporation"), CITIZENS BANK, N.A., a national banking association, with offices at 833 Broadway, Albany, New York (the "Bank"), AMERICAN HOUSING FOUNDATION, INC., a New York corporation having an office at place of business at 317 Brick Church Road, Troy, New York 12180 ("Fee Owner"); AHF - COLUMBIA CREST, LLC, a New York limited liability company, with its principal place of business at 317 Brick Church Road, Troy, New York 12180 ("Project Recipient"); and CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation and an industrial development agency of the State of New York, duly organized and existing under the laws of the State of New York with its principal office at 130 Remsen Street, Cohoes, New York 12047, (the "IDA").

WITNESSETH

WHEREAS, pursuant to Section 1102 of the Public Housing Finance Law (the "Statute"), the Corporation entered into a regulatory agreement with the Project Recipient dated October 2, 2003 and recorded in the Albany County Clerk's Office in Liber 4571 at Page 618, which regulatory agreement is incorporated herein by reference (the "Regulatory Agreement");

WHEREAS, the Corporation is the owner and holder of a mortgage on premises described in Schedule A annexed hereto ("Mortgaged Premises"), from Project Recipient, Fee Owner and the IDA to the Corporation, dated October 2, 2003 and recorded in the Albany County Clerk's Office in Liber of Mortgages 4571 at Page 442 (the "Corporation Mortgage") which mortgage secures the Project Recipient's performance under the Regulatory Agreement and a promissory note in the amount of TWO MILLION DOLLARS (\$2,000,000), also executed by Project Recipient on October 2, 2003 (the "HTF Note");

WHEREAS, the IDA has issued Five Million Five Hundred Sixty Thousand and 00/100 Dollars (\$5,560,000.00) of Variable Rate Civic Facility Revenue Refunding Bonds Series 2003 (the "Bonds") to the Project Recipient to finance the Mortgaged Premises;

WHEREAS, the IDA, together with the American Housing Foundation, Inc. and the Project Recipient, are the respective holders of interests in the Mortgaged Premises and the IDA, the Fee Owner, and the Project Recipient have assigned to the Bank all of their respective rights, titles and interests in and to the Mortgaged Premises pursuant to that certain Mortgage, Security and Financing Statement dated as of April 1, 2007 (as referenced below) and the parties have also executed and delivered to the Bank a Reimbursement Agreement, an Assignment of Rents, a Continuing General Security Agreement, and other loan documents related to the Mortgaged Premises (the "Bank Documents");

WHEREAS, the parties desire that the Bank issue a substitute Letter of Credit to secure the Bond issued in connection with the Mortgaged Premises;

WHEREAS, as a condition of the Bank entering into the Bank Documents, the Bank requires a first mortgage lien on the Mortgaged Premises;

WHEREAS, the Corporation must agree to subordinate the Corporation Mortgage to the Bank's mortgage in the amount of Five Million Four Hundred Eighty Five Thousand One Hundred Sixteen and 00/100 Dollars (\$5,485,116.00) (the "Bank's Mortgage");

WHEREAS, all of the obligations of the Project Recipient relating to the Bonds (including the Bank Documents) from the Project Recipient, the Fee Owner and the IDA to the Bank, and any and all other documents securing or relating to the Bonds (such documents and laws collectively referred to herein as the "Senior Security Documents") now existing or hereinafter created are referred to herein collectively as the "Senior Debt";

WHEREAS, all of the obligations of the Project Recipient to the Corporation under the Note, the Regulatory Agreement, the Statute and the regulations and policies promulgated thereunder and any and all other documents securing or relating to the Corporation and the Note (such documents and laws collectively referred to herein as the "Subordinated Security Documents") now existing or hereinafter created are referred to herein collectively as the "Subordinated Debt";

WHEREAS, the Corporation intends hereby to subordinate the Subordinated Debt to the Senior Debt and confirm the subordination of the lien and security interest of the Subordinated Security Documents to the lien and security interest of the Senior Security Documents and, in connection therewith, enter into this agreement for the benefit of the Bank and the holders of the Bonds.

NOW, THEREFORE, in consideration of good and valuable consideration exchanged between the parties,

IT IS HEREBY AGREED AS FOLLOWS:

1. The payment of any and all Subordinated Debt is hereby subordinated to and subject in the right of payment and exercise of remedies to the prior payment in full of the Senior Debt.
2. Until all of the Senior Debt shall have been paid in cash and performed in full, the Project Recipient shall not, directly or indirectly, create any lien in any collateral in addition to that set forth in the Subordinated Security Documents for any part of the Subordinated Debt, and the Corporation shall not demand or accept from the Project Recipient or any other person any such additional collateral.
3. In the event the Project Recipient constructs or operates the Mortgaged Premises in violation of the policies and procedures of the Corporation, the Corporation may, as its sole and exclusive remedy, cause the Project Recipient to replace the existing management company retained by the Project Recipient to operate the Mortgaged Premises.
4. Upon the foreclosure of the Senior Security Documents, in accordance with the law and provisions of the Senior Security Documents, the Mortgaged Premises shall not be subject to the Statute and the Regulatory Agreement except for the rent stabilization coverage provisions of Statute Section 1102(3)(g).
5. All notices or other communications with respect to the subject matter of this Agreement shall be in writing and shall be deemed to have been given when sent by certified or registered mail, return receipt requested, to the parties at the addresses first set out in this Agreement, or at such other address of which the party to receive such notice shall have notified the party giving such notice, except that any such notice of change of address shall be deemed to have been given when it is received.
6. This Agreement may not be amended, modified, waived or rescinded in whole or in part nor may any other action or consent be given unless it is in writing, signed by the appropriate party or parties and delivered to all the parties to this Agreement.
7. If any provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is

invalid or unenforceable, shall not be affected thereby and each provision shall be valid and enforceable to the fullest extent permitted by law.

8. In the event there shall be any failure to pay principal or interest of the Bank's Mortgage or any other event of default for sixty (60) days, the Bank shall give the Corporation notice in writing by certified mail, return receipt requested, of such failure, and shall give the Corporation a reasonable opportunity to cure such failure. In the event there shall be any failure to pay principal or interest of the Corporation Mortgage for sixty (60) days, the Corporation shall give the Bank notice in writing by certified mail, return receipt requested, of such failure, and shall give the Bank a reasonable opportunity to cure such failure.

[END OF TEXT]

IN WITNESS WHEREOF, the parties have each duly executed this Agreement as of the day and year first above written.

HOUSING TRUST FUND CORPORATION

By: [Signature]
Name: Robert Shields
Title: Vice President

CITIZENS BANK, N.A.

By: [Signature]
Name: Scott J. Houghtaling
Title: Vice President

AMERICAN HOUSING FOUNDATION, INC.

By: [Signature]
Name: Garry J. Kearns
Title: Executive Director

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

AHF - COLUMBIA CREST, LLC

By: American Housing Foundation, Inc.,
Sole Member and Manager

By: [Signature]
Name: Garry J. Kearns
Title: Executive Director

IN WITNESS WHEREOF, the parties have each duly executed this Agreement as of the day and year first above written.

HOUSING TRUST FUND CORPORATION

By: _____
Name: Richmond McCurmin
Title: Vice President

CITIZENS BANK, N.A.

By: _____
Name: Scott J. Houghtaling
Title: Vice President

AMERICAN HOUSING FOUNDATION, INC.

By: _____
Name: Garry J. Kearns
Title: Executive Director

CITY OF COHOES INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name: John T. McDonald, III
Title: Chairman

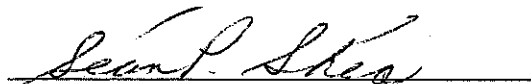
AHF - COLUMBIA CREST, LLC

By: American Housing Foundation, Inc.,
Sole Member and Manager

By: _____
Name: Garry J. Kearns
Title: Executive Director

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

On April 5, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert Shields, Vice President of the HOUSING TRUST FUND CORPORATION, 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.



Sean P. Shea, Notary Public
Qualified in Rensselaer County
No. 02SH5035018
My Commission expires 10/24/10

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

On April 13th, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Scott J. Houghtaling of CITIZENS BANK, N.A., 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.




Notary Public

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

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

On April 13, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Garry J Kearns, Executive Director of AMERICAN HOUSING FOUNDATION, INC., 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.

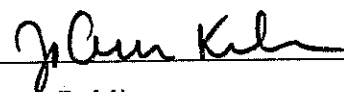


Notary Public

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

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

On April ____, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared John T. McDonald, III, Chairman of the CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY, 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.



Notary Public

JO-ANN KILMER
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01KI 052388
QUALIFIED IN SARATOGA COUNTY
COMMISSION EXPIRES NOV. 20, 2009

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

On April 13, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Garry J Kearns, Executive Director of AMERICAN HOUSING FOUNDATION, INC., sole member and manager of AHF- COLUMBIA CREST, LLC, 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.



Notary Public

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