

## CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT

**THIS CONDITIONAL ASSIGNMENT OF MANAGEMENT AGREEMENT** ("Assignment"), made as of April 1, 2007 by **AHF - COLUMBIA CREST, LLC**, a New York limited liability company having an office at 317 Brick Church Road, Troy, New York 12180 ("Borrower") to and for the benefit of **CITIZENS BANK, N.A.**, a national banking association having an address at 833 Broadway, Albany, New York 12207 ("Lender"), and is acknowledged and consented to by **AMERICAN HOUSING MANAGEMENT COMPANY, INC.**, a New York corporation having its principal place of business at 317 Brick Church Road, Troy, New York 12180 ("Agent").

### RECITALS:

A. Borrower is obligated under the terms of a certain reimbursement agreement given to Lender (the reimbursement agreement together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to as the "Reimbursement Agreement") is indebted to Lender in the principal sum of \$5,548,116.00, in lawful money of the United States of America, with interest from the date thereof at the rate set forth in the Reimbursement Agreement, together with the Hedging Obligations (the indebtedness evidenced by the Reimbursement Agreement, together with such interest accrued thereon, together with the Hedging Obligations (as defined in the Mortgage), shall collectively be referred to as the "Obligation"), principal and interest to be payable in accordance with the terms and conditions provided in the Reimbursement Agreement.

B. The Obligation is secured by, among other things, that certain mortgage given by the Borrower to the Lender (the "Mortgage"), more particularly described in Exhibit "B" annexed hereto which grants Lender a first lien on the property encumbered thereby (the "Property"), and all and any of the documents other than the Reimbursement Agreement, the Mortgage and this Assignment now or hereafter executed by Borrower and/or others and by or in favor of Lender (including but not limited to, any document which wholly or partially evidences, secures or guarantees payment of the Obligation, are referred to as the "Other Security Documents").

C. Pursuant to a certain Management Agreement dated as of January 1, 2006 between Borrower and the Agent (the "Management Agreement") (a true and correct copy of which Management Agreement is attached hereto as Exhibit "A"), Borrower employed Agent exclusively to rent, lease, operate and manage the Property.

D. Lender requires as a condition to the making of the Obligation that Borrower assign the Management Agreement as set forth below.

### AGREEMENT:

For good and valuable consideration, the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Obligation, Borrower hereby conditionally transfers, set over and assigns to Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, in the event of a default by Borrower under the Reimbursement Agreement, the Mortgage or any of the Other Security Documents, including but not limited to escrow agreements, and the failure of Borrower to cure such default within any applicable grace period.

2. Termination. At such time as the Obligation is paid in full and the Mortgage is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall terminate.

3. Borrower's Covenants. Borrower hereby covenants with Lender that during the term of this Assignment: (a) Borrower shall not transfer the responsibility for the management of the Property from Agent to any other person or entity without prior written notification to Lender and the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender, which consent may be withheld by Lender in Lender's sole discretion; and (c) Borrower shall, in the manner provided for in this Assignment, give notice to Lender of any notice or information that Borrower receives which indicates that Agent is terminating the Management Agreement or that Agent is otherwise discontinuing its management of the Property.

4. Agreement by Borrower and Agent. Borrower and Agent hereby agree that in the event of a default by Borrower (beyond any applicable grace period) under the Reimbursement Agreement, the Mortgage or any of the Other Security Documents during the term of this Assignment at the option of Lender exercised by written notice to Borrower and Agent: (a) all rents, security deposits, issues, proceeds and profits of the Property collected by Agent, after payment of all costs and expenses of operating the Property (including, without limitation, operating expenses, real estate taxes, insurance premiums, repairs and maintenance, but excluding the fees and commissions payable under the Management Agreement), shall be applied in accordance with Lender's written directions to Agent; and (b) Lender may exercise its rights under this Assignment and may immediately terminate the Management Agreement and require Agent to transfer its responsibility for the management of the Property to a management company selected by Lender in Lender's sole and absolute discretion.

5. Lender's Right to Replace Agent. In the event that Lender, in Lender's reasonable discretion, at any time during the term of this Assignment, determines that the Property is not being managed in accordance with generally accepted management practices for properties similar to the Property as provided in the Management Agreement, or that there has been a default by the Borrower, Lender shall deliver written notice thereof to Borrower and Agent, which notice shall specify with particularity the grounds for Lender's determination. If Lender reasonably determines that the conditions specified in Lender's notice are not remedied to Lender's reasonable satisfaction by Borrower or Agent within thirty (30) days from receipt of such notice or that Borrower or Agent

have failed to diligently undertake correcting such conditions within such thirty (30)-day period, Lender may direct Borrower to terminate the Management Agreement and to replace Agent with a management company acceptable to Lender in Lender's sole discretion. Upon such termination, Agent shall be entitled only to the payment of any fees actually earned for management services performed pursuant to the Management Agreement prior to the termination of the Management Agreement and, notwithstanding any provision to the contrary in the Management Agreement, no monetary penalties or termination fees shall be paid to Manager. In the event of Lender's termination of the Management Agreement, Agent agrees that it shall look solely to Borrower, and not to Lender, for the payment of any sums due to Agent under the terms of the Management Agreement or any obligations on the part of Borrower under the Management Agreement, to the extent permitted by law, Agent hereby waives any and all rights to file any lien or encumbrance against the Property related thereto.

6. Subordination. Borrower and Agent hereby agree that, the Management Agreement and the interests and estates created thereby and the rights, privileges and powers of the Agent and Borrower thereunder, including, without limitation, all rights of first refusal, purchase options and all other rights and interests of the Agent under the Management Agreement, shall be and the same are hereby, unconditionally made and shall at all times remain subject, subordinate and inferior in all respects in lien and payment to the lien and payment of the Mortgage, the Reimbursement Agreement, the Other Security Documents, and all the rights, privileges and powers of Lender thereunder and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Agent does hereby waive, relinquish and release any and all rights, claims and liens which Agent may now or hereafter have in and to the Property, including, without limitation, any rights, claims and liens of Agent, or rights to file or have filed any liens, claims of lien, pursuant to applicable law on or against said Property on account of brokerage services, managements services, leasing services or other services furnished by Agent pursuant to the Management Agreement.

7. Consent and Agreement by Agent. Agent hereby acknowledges and consents to this Assignment and agrees that Agent will act in conformity with the provisions of this Assignment and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Agent in accordance with the provisions hereof, Agent shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Agent hereby agrees (a) not to contest or impede the exercise by Lender of any right it has under or in connection with this Assignment; and (b) that it shall, in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.

8. Lender's Agreement. The Management Agreement and six (6%) percent Management Fee for the Project will be subordinate to the Lender debt and lien. The Management Fee can only be paid at the end of a fiscal year if the Borrower is in full compliance with the Reimbursement Agreement, Mortgage and Lender's Other Security Documents. There will be no

change in management without the prior written consent of the Lender.

9. Governing Law. This Assignment shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.

10. Notices. Any notice, demand, statement, request, approval, consent or other communication made hereunder shall be in writing and shall be deemed given three (3) days after mailing, registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after the date sent by Federal Express or other nationally recognized overnight courier providing evidence of delivery, (i) if to Borrower, at its address set forth above, with a copy to: Cannon Heyman & Weiss, LLP, 54 State Street, Albany, New York 12207, Attention: Steven Heyman, Esq., (ii) if to Lender, at its address set forth above, Attention: Commercial Real Estate Department, a copy to Lombardi, Walsh, Wakeman, Harrison, Amodeo & Davenport, P.C., III Winners Circle, Albany, New York 12205. Attention: Robert G. Wakeman, Esq., or to such other address or addresses as Borrower or Lender, as the case may be, shall in like manner designate in writing.

11. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

12. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Assignment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

13. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

14. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

15. Duplicate Originals; Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

16. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

17. Lender Assignment. Lender may sell, transfer and deliver the Reimbursement Agreement and assign the Mortgage, this Assignment and the Other Security Documents to one or more persons (including but not limited to lending institutions). In connection with such sale, Lender may retain or assign responsibility for servicing the Obligation, including the Reimbursement Agreement, the Mortgage, this Assignment and the Other Security Documents, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

18. Miscellaneous. (a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff or otherwise.

19. Counterparts. This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the day and year first above written.

BORROWER:

**AHF - COLUMBIA CREST, LLC**

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

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

AGENT:

**AMERICAN HOUSING MANAGEMENT COMPANY, INC.**

By: GARRY J. KEARNS  
Name: Garry J. Kearns  
Title: President

EXHIBIT "A"

MANAGEMENT AGREEMENT

## MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") is entered into as of the 15<sup>th</sup> day of January 2006 by and between AHF-Columbia Crest, LLC, New York corporation having offices at 100 State Street, Albany, New York 12207 (hereafter referred to as "Owner"), and American Housing Management Company, Inc., a New York Corporation with offices at 100 State Street, Albany, New York 12207 (hereinafter referred to as "Agent").

### WITNESSETH:

WHEREAS, Owner is the owner and operator of a 90-unit multifamily low and moderate income residential apartment community to be located on Columbia Street in the City of Cohoes, New York, desires to appoint Agent as exclusive manager for the management of the Project (hereinafter defined); and

WHEREAS, Agent is in the business of managing properties of the type described above and desires to manage the Project as exclusive agent of Owner.

NOW, in consideration of the mutual covenants contained herein, it is agreed as follows:

1. Appointment and Acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this Agreement, and the Agent accepts the appointment subject to the terms and conditions set forth in this Agreement.
2. Description of Project. The property (the "Project") to be managed by the Agent under this Agreement is a multifamily residential apartment community consisting of the land, buildings and other improvements which make up the Project. The Project is further described as follows:

Name:	Columbia Crest Senior Housing
Location:	427 Columbia Street, City of Cohoes
County:	Albany
State:	New York
Number of Units:	90

3. Definitions. As used in this Agreement:
  - a. "Agent" means American Housing Management Company, Inc., its successors and assigns.
  - b. "HTFC" means the Housing Trust Fund Corporation, a division of the State of New York Division of Housing and Community Renewal.
  - c. "Interested Governmental Agency" means any governmental agency, which under applicable law, rules or regulations exercises supervisory power over, or has a contractual or financial interest in, the Project or its tenants, at any time or from time to time, including but not limited to the IRS, and HTFC.



- d. "IRS" means the Internal Revenue Service.
  - e. "Management Plan" means the management plan for the Project attached hereto as Exhibit "A" and incorporated herein by reference.
  - f. "Mortgage" means any mortgage covering the Project given by Owner, as mortgagor, to any mortgagee, as security for a Mortgage Note.
  - g. "Mortgage Note" means any note or other evidence of indebtedness executed by Owner evidencing a loan from a Mortgagee.
  - h. "Mortgagee" means any holder of a Mortgage.
  - i. "Operating Budget" means the operating budget prepared by Agent and delivered to Owner for each year of operation of the Project.
  - j. "Owner" means AHF-Columbia Crest, LLC, its successors or assigns.
  - k. "Principal Parties" means the Owner and the Agent.
  - l. "Regulatory Agreements" means the agreements described in Section 5 hereof entered into between Owner and Interested Governmental Agencies which govern the use and occupancy of the Project.
4. Management Plan. Attached hereto as "Exhibit A" and hereby incorporated herein is a copy of the Management Plan for the Project which provides a description of the policies and procedures to be followed in the management of the Project. In many of its provisions, this Agreement briefly defines the nature of the Agent's obligations with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, the Principal Parties will comply with all applicable provisions of the Management Plan regardless of whether specific reference is made thereto in any particular provisions of this Agreement. As soon as possible, Owner will furnish Agent with a complete set of "as built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures, and equipment for the Project. With the aid of this information and inspection by competent personnel, the Agent will become thoroughly familiar with the character, location, construction, layout, plan, and operation of the Project, and especially with the physical plant.
5. Regulatory Agreements. The parties hereto acknowledge that the Project is subject to a Regulatory Agreement with HTFC and a Tax Regulatory Agreement with the City of Cohoes Industrial Development Agency (collectively the "Regulatory Agreements"). The Regulatory Agreements, among other Project constraints, set forth specific requirements with regard to Project tenant eligibility. Agent acknowledges that the failure to comply with such requirements may have a catastrophic effect on Owner. As soon as possible, Owner will furnish Agent with a complete set of Regulatory Agreements. Upon receipt of such documents, Agent agrees to use best efforts to comply with the Regulatory Agreements in all respects.
6. Marketing. Agent will carry out the marketing activities prescribed in the Affirmative Fair Housing Marketing Plan and maintain records of the marketing activity for

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compliance review purposes. Subject to Owner's prior approval, advertising expenses will be paid out of the General Operating Account (hereinafter defined) as Project Expenses.

7. Rentals. The Agent will offer for rent and will rent the dwelling units, and other rental facilities and concessions in the Project. Incident thereto, the following provisions will apply:
- a. Agent or its affiliate will make preparation for initial rent up as described in the Management Plan.
  - b. Agent will follow the tenant selection policy described in the Management Plan.
  - c. Subject to the Regulatory Agreements, Agent will show the premises and available units to all prospective tenants without regard to race, color, national origin, gender, religion, familial status, marital status or handicap/disability.
  - d. Agent will take and process all applications received for rentals. If an application is rejected, Agent shall inform the applicant in writing of the reason for rejection and the rejected application with the reason for rejection noted thereon, will be kept on file for three (3) years. If the rejection is because of information obtained from a credit bureau, the source of the report must be revealed to the applicant according to the Fair Credit Reporting Act. A current list of qualified applicants will be maintained.
  - e. Agent will prepare all dwelling leases and on-site parking permits, if applicable, and will execute the same in its name, identified thereon as agent for the Owner. The Owner will ensure that the standard form of lease to be used by Agent will comply with all applicable federal, state and local laws, pertinent provisions of Regulatory Agreements, rules and regulations of Interested Governmental Agencies, and all applicable agreements, contracts and other documents relating to the Project ("Project Documents"). Dwelling leases will be in a form approved by Owner and, if required, Interested Governmental Agencies
  - f. Agent will collect, deposit and disburse security deposits, if required, in accordance with the terms of each tenant's lease. The amount of each security deposit is specified in the Management Plan. Security deposits will be deposited by the Agent in an interest-bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government, and interest will be credited to each tenant's security deposit as required by the State of New York. This account will be carried in the Project's name and designated of record as "Columbia Crest Senior Housing Security Deposit Account".
  - g. Agent will counsel all prospective tenants regarding eligibility and will prepare and verify eligibility certifications and recertifications in accordance with the requirements of Interested Governmental Agencies.
  - h. In addition to the foregoing, during the construction and pre-occupancy phase of the Project, Agent shall provide services to accomplish stabilized occupancy and

operation as quickly as possible after completion of construction. Such services shall include marketing, staff recruiting, staff training, facility set up and licensing services.

8. Collection of Rents and Other Receipts: General Operating Account. Agent will use its best efforts to collect when due all rents, charges, and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts (except for tenants' security deposits, which will be handled as specified in Subsection 7 (f) above), will be deposited in an account separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Owner's name and designated of record as "Columbia Crest Senior Housing General Operating Account" (the "General Operating Account"). Funds in the General Operating Account shall remain the property of Owner subject to disbursement of expenses by Agent as described in Section 14.a. of this Agreement as the "Manager's Operating Account". For so long as the Bonds referred to in such Trust Indenture remain Outstanding (as defined in the Trust Indenture), all receipts referred to above shall be applied as provided in such Trust Indenture.

9. Enforcement of Leases. Agent will use its best efforts to secure full compliance by each tenant with the terms of his or her lease. Voluntary compliance will be emphasized, and the Agent will counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Project. The Agent may terminate any tenancy in accordance with the Management Plan, and the provisions of applicable Project Documents, and when, in Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the tenant's lease. All terminations should be promptly reported to Owner.

For this purpose, the Agent is authorized to consult with legal counsel, designated by the Owner, to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, the Agent keeps the Owner informed of such actions and follows such instructions as the Owner may prescribe for the conduct of any such action. Up to \$500 in attorney's fees and other necessary costs (per eviction) incurred in connection with such actions may be paid out of the General Operating Account as Project expenses without the prior approval of Owner.

10. Maintenance and Repair. Agent will maintain the Project in good repair in accordance with the Management Plan and local codes and in a condition at all times acceptable to the Owner, including, but not limited to, cleaning, painting, decorating, plumbing, carpentry, grounds care, removal of abandoned automobiles and such other maintenance and repair work as may be necessary subject to any limitations imposed by the Owner in addition to those contained herein. Incident thereto, the following provisions will apply:

- a. Special attention will be given to preventive maintenance and, to the greatest extent feasible, the services of regular maintenance employees will be used.

- b. Subject to Owner's prior approval, Agent will contract with qualified independent contractors for the maintenance and repair beyond the capability of regular maintenance employees. Any identity of interest will be disclosed to Owner.
  - c. Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. The Agent will receive any emergency requests and will service the same on a 24-hour basis. The Agent will report any complaints of a serious nature to the Owner on the next business day after receipt.
  - d. The prior approval of the Owner will be required for any expenditure not contained within the budget which exceeds Five Thousand Dollars (\$5,000.00) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the Operating Budget or emergency repairs involving manifest danger to person or property or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
11. Utilities and Services. In accordance with the Management Plan and the Operating Budget, at the request of Owner, the Agent will make arrangements for water, electricity, gas, fuel, oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone services, if required. The Agent will obtain such contracts as may be necessary to secure such utilities and services for Owner's review and execution. All costs incurred in connection with such contracts shall be paid for from the General Operating Account.

12. Employees.

- a. Agent is authorized to hire, supervise, discharge and pay all servants, employees, contractors or other personnel necessary to be employed in the management, maintenance and operation of the Project. All on-site maintenance and management personnel and all corporate management/accounting personnel shall be deemed employees who work on-site shall be paid out of the General Operating Account; the salaries, benefits and tax withholding of Agent's employees who work off-site will be paid by Agent.
- b. All wages and fringe benefits payable to Agent's on-site employees hired pursuant to subparagraph (a) above and all local, state and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers compensation insurance) incident to the employment of such personnel, shall be paid by Agent out of the General Operating Account and shall be treated as operating expenses of the Owner. Agent shall not be liable to Owner's employees for their wages or compensation. During the term of this Agreement, Agent shall, on behalf of Owner, manage all aspects of the operation of the Project, including, but not limited to, the providing of leasing and maintenance services to residents of the Project, staffing, billing, collections, setting of rates and charges and general on-site administration. In connection therewith, Agent (either directly or through supervision of employees of the Project) shall use its best efforts to:

ninety-(90) days before the beginning of such calendar year. The Owner will promptly inform the Agent of any changes to be incorporated in the approved Operating Budget, and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved Operating Budget.

16. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this Agreement, the Agent will have the following responsibilities with respect to records and reports:
- a. Agent will establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Owner. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner. The books and records shall remain the property of the Owner at all times.
  - b. With respect to each fiscal year ending during the term of this Agreement, the Owner may have an annual financial report prepared by a Certified Public Accounts or other person acceptable to the Owner based upon the preparers examination of the books and records of the Owner and the Agent. Compensation for the preparer's services will be paid out of the General Operating Account as an expense of the Project.
  - c. Agent will prepare a monthly statement of income comparing actual and budgeted figures for the quarter and will submit each such report to the Owner within thirty (30) days after the end of the month covered.
  - d. Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical or operational condition of the Project.
  - e. By the 15th day of each month, the Agent will furnish the Owner with an itemized list of all delinquent accounts including rental accounts as of the 10th day of the same month.
  - f. Agent will furnish Owner with a statement of income during the previous month, a schedule of accounts receivable and payable, and reconciled bank statements for the General Operating Account and the Security Deposit Account as of the end of the previous month.
17. Fidelity Coverage. Agent will furnish, at its own expense, fidelity coverage in an amount which is at least equal to \$150,000, the gross potential income of the Project for two (2) months, protecting Owner against misappropriation of Project funds by Agent and its employees. Coverage will be in force to coincide with the assumption of fiscal responsibility by Agent until that responsibility is relinquished. The coverage will be obtained from a company licensed to provide fidelity coverage in the Project locality. Endorsements required by Interested Governmental Agencies will be obtained, if applicable, and made part of the coverage policy or bond. The other terms and conditions of the coverage, and the surety thereon, will be subject to the approval of Owner, Mortgagees and any Interested Governmental Agencies.

18. Maintenance of On-Site Information. Owner shall deliver or cause to be delivered to Agent the following documents and information which shall be maintained by Agent on-site:
- a. all camera ready/original artwork and copy for newspaper advertisements, brochures, signs and logos, etc.;
  - b. job descriptions for all employees and records of keys, petty cash, tools, and other assets entrusted to each employee;
  - c. contracts and warranties pertaining to the Project, including, without limitation, contracts and warranties pertaining to elevators, the HVAC system, appliances, equipment, insurance, exterminating, trash removal, roofing refurbishment, etc.;
  - d. records of all Project vendors and contractors;
  - e. records of all Project appliances with serial numbers, janitorial supplies, building maintenance supplies, office supplies, marketing and mobile equipment and supplies;
  - f. Project site plan, legal description of the real property constituting the Project, as-built Project drawings, locations of irrigation valves and timers, sewer clean-outs, main electrical switches, water out offs and roof, HVAC and elevator access;
  - g. Location and operation of lift stations, HVAC, pumping stations, stand-by generators and other equipment;
  - h. Numbers and locations of electric, gas and water meters and records/receipts of deposits relating to Project utilities;
  - i. Real estate tax bills and utility bills;
  - j. Fidelity bond report files, restrictions and copies/instructions on bond reports (as applicable);
  - k. Records of insurance claims, lawsuits, and other such matters pertaining to the Project; and
  - l. Records relating to all written and verbal agreements with vendors and residents.
19. Bids, Discounts, Rebates, Etc. With prior approval of Owner, Agent shall obtain contracts, material, supplies, utilities and services on the most advantageous terms to the Project, and is authorized to solicit bids, either formal or informal, for those items with a cost in excess of \$10,000 which can be obtained from more than one source. Agent will secure and credit to the Owner all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Owner's behalf.
20. Social Services Program. Agent will not be responsible to the Owner for carrying out any social services programs which the Owner may elect to provide at the Project.

21. Tenant-Management Relations. Agent and Owner will encourage and assist residents of the Project in forming and maintaining representative organizations to promote their common interests and will maintain good faith communication with such organizations to the end that problems affecting the Project and its residents may be avoided or solved on the basis of mutual self-interest.
22. On-Site Management Facilities. Agent shall maintain a management office within the Project. Space for the management office shall be provided by Owner to Agent free of rent.
23. Insurance; Taxes.
- a. Owner will inform Agent of insurance to be carried with respect to the Project and its operations and Owner will secure such insurance. All insurance shall be reasonably satisfactory to the Agent, and shall name the Agent as "additional Insured". The Agent will pay premiums out of the General Operating Account, and premiums will be treated as operating expenses. If required by Owner, the Agent will investigate and furnish the Owner with full reports as to all accidents, claims and potential claims for damage relating to the Project and will cooperate with the Owner's insurers in connection therewith.
  - b. Agent shall pay from the General Operating Account all taxes, assessments and government fees promptly when due and payable. Owner shall deliver to Agent copies of any bills for the same promptly after they are received by Owner or by any of Owner's agents. Agent shall conform to all requirements affecting the operation or management of the Project that are set forth in the Agreement.
24. Compliance with Governmental Orders Agent will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by federal, state, county or municipal authority, subject, however, to the limitation stated in Subsection 10(d) with respect to repairs, and in each case at the expense of the Owner. The Agent will notify the Owner in writing of all notices of such orders or other requirements within seventy-two (72) hours from the time of their receipt.
25. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of all federal, state and local laws including, but not limited to, those prohibiting discrimination in housing on the grounds of race, color, sex, creed, national origin, sexual preference or veteran status including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title, regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.
26. Agent's Compensation. For services rendered hereunder, the Agent shall be compensated in an amount equal to six percent (6.0%) of the Project's gross income for the previous month ("Management Fee"). Said sum shall be payable in monthly installments from the General Operating Account and shall be considered a Project expense.

27. Term of Agreement. This Agreement shall be in effect for a period beginning on the date of execution hereof and ending on the December 31, 2007 subject, however, to the following conditions:
- a. This agreement will not be binding upon the parties until any required approvals of Interested Governmental Agencies are obtained.
  - b. Either party may, with or without cause, terminate this Agreement on thirty (30) days written notice to the other delivered by certified mail. Without limiting the foregoing, Owner may, at its sole option and without penalty, terminate this Agreement as of the end of the first year by giving not less than 30 days' advance notice to Agent.
  - c. Upon termination, Agent will submit to Owner all Project books and records and the parties will account to each other with respect to all matters outstanding as of the date of termination.
  - d. If at the expiration of this Agreement the parties have not executed a new agreement for the management of the Project upon such terms as shall prevent the agreement from being considered Private Business Use (as defined in the Tax Regulatory Agreement), this Agreement shall terminate.
  - e. It is expressly understood and agreed by and between the Owner and the Agent that Housing Trust Fund Corporation (HTFC) shall have the right to terminate this Agreement, with or without cause, on ten (10) days written notice to the Owner and the Agent. Under certain circumstances HTFC may have the right to terminate this Agreement immediately. It is further understood and agreed that no liability shall attach to the Owner or HTFC in the event of termination of this Agreement pursuant to this paragraph. Upon receipt of notice of termination, Agent shall immediately return all books and records to Owner of HTFC as Agent is directed.

28. Events of Default: Remedies.

- a. Default. Each of the following shall constitute an Event of Default hereunder:
  - (i) If Owner shall fail to pay any installment of the Management Fee;
  - (ii) If either Agent or Owner fails to pay any installment of the Management Fee;
  - (iii) If Agent is dissolved or liquidated, applies for or consents to the appointment of a receiver, trustee, or liquidator of all or a substantial part of the assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, or files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating Agent bankrupt or insolvent or approving a petition seeking reorganization of such party or appointing a receiver, trustee or liquidator for such party or all of a substantial part of the



assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive calendar days.

- (iv) If Agent fails to account for all funds derived from the operation of the property or any funds belonging to the Owner or fails to deposit rents and other collection from the operation of the Project to the credit of the Owner as provided in this Management Agreement.
- (v) The occurrence of an event of default under any of the Project's financing documents, including the Trust Indenture referred to in Section 14a. of this Agreement and the documents referred to therein as the "Financing Documents" (collectively, the "Financing Documents"), which provision mandates the dismissal of the Management Agent.

b. Remedies. Upon any Event of Default, the party who has not committed or suffered the Event of Default may, at its option, terminate this Agreement, and/or exercise all other rights and remedies available to such party at law or in equity. In the event of any termination of this Agreement, Agent shall be paid all fees due to the date of termination. No delay or failure on the part of either party hereunder to declare the other party in default or exercise any remedies in respect of such default shall operate as waiver of such right to declare a default and exercise such remedies.

29. Indemnification and Liability. Agent shall have no liability for any debts or obligations of the Project or expenses of the Owner except in connection with any claim, proceeding, or suit involving an alleged violation by the Agent of any law pertaining to fair employment, fair credit reporting, environmental, taxes, or fair housing or its obligations hereunder. Agent agrees to hold Owner harmless and indemnify Owner for all liabilities, costs and expenses, including reasonable attorney's fees incurred by Owner solely in connection with the matters set forth in the prior sentence. In no event shall Owner be responsible for the negligent acts of Agent or its employees. In no event shall the Agent be responsible for the negligent acts for the Owner or its employees.

30. Maintenance of Owner's Tax-Exempt Status. A. Agent agrees that, at Owner's request and expense, it will use its reasonable efforts to assist Owner in remaining a corporation which is not a private foundation and which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code and exempt from state income taxation pursuant to applicable provisions of the New York Revenue and Taxation Code. By way of illustration and not in limitation of the foregoing, Agent shall, at Owner's cost, promptly provide to Owner any information or other special types of reports with respect to the Project which may be required to be maintained on file by Owner. Except as provided in Section 9 above, Agent shall not evict any resident from the Project or inability to pay any fees or charges without the prior written consent of Owner.

b. Performance of Owner's Obligations Under Financing Documents. As soon as possible, Owner will furnish Agent with a complete set of Financing Documents. Upon receipt, agent covenants and agrees that, to the extent it may legally do so, and at the specific direction of Owner, it will use its reasonable efforts, at Owner's cost, to assure compliance by Owner with its obligations under the Financing Documents, as the same relate to the management of the Project

and/or the operating of the Project and to prevent the occurrence of activities involving the Project that would impair the excludability of interest paid on the Bonds (which are a part of the Financing Documents) from the gross income of the Owner thereof for purposes of federal and state income taxation, or would cause the Project not to be operated as an authorized project under the resolutions of the issuer.

c. Construction Remedies.

(i) The Agent shall not seek to enforce any remedy or judgment against any member of the Owner or any officer, director, agent or employee of the Owner, and the Agent agrees to look solely to Owner's assets for the satisfaction of any judgment or remedy that the Agent may have against Owner. The Agent agrees that any liabilities for payment of the obligations under this Agreement shall be satisfied solely from the assets of Owner.

(ii) The Owner shall not seek to enforce any remedy or judgment against any member of the Agent or any officer, director, agent or employee of the Agent and the Owner agrees to look solely to Agent's assets for the satisfaction of any judgment or remedy that the Owner may have against Agent. The Owner agrees that any liabilities for payment of the obligations under this Agreement shall be satisfied solely from the assets of Agent.

31. Interpretative Provisions.

- a. At all times this Agreement will inure to the benefit of and constitute a binding obligation upon the parties and their respective successors and assigns.
- b. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid unless made by supplemental written agreement, executed by the Principal Parties.
- c. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid unless made by supplemental written agreement, executed by the Principal Parties.
- d. The failure of either party to insist upon performance by the other party shall not act as a waiver of the right to demand performance in the future. To be valid, a waiver of any provision must be in writing and signed by both parties hereto.
- e. The execution and delivery of this Management Agreement shall not constitute or be construed as a partnership, joint venture or lease of the Project between the Owner and the Agent and the relationship shall be construed as that of owner and independent contractor.

32. Consent to Jurisdiction. Each of the Principal Parties irrevocably submits to the jurisdiction of any state or federal court sitting in the State of New York over any suit, action, or proceeding arising out of or relating to this Agreement. Each of the Principal Parties irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment in any such suit, action, or proceeding brought in any such court shall be conclusive and binding upon the Principal Parties and may be enforced in any court to whose jurisdiction the Principal Parties are subject, by a suit upon such judgment provided that service of process is effected upon the Principal Parties in a manner specified in this Agreement or as otherwise permitted by applicable law.
33. Giving of Notices. All notices, demands, consents and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner or Agent individually may specify hereafter in writing:

OWNER:

AHF-Columbia Crest, LLC  
100 State Street  
Albany, NY 12207  
Attn: Garry J. Kearns, Executive Director

AGENT:

American Housing Management Co., Inc.  
100 State Street  
Albany, NY 12207  
Attn: Kathleen R. Kearns, Vice President

Such notices and other communication shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and deposit in a United States Post Office or a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents and report may also be delivered by hand or by Federal Express or any other national recognized overnight of same day courier providing written evidence of delivery. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mail as provided herein.

34. Governing Law; Successors and Assigns. This Agreement (a) shall be governed by, construed and enforced in accordance with, the substantive laws (i.e. without regard to laws relating to the choice of law of the State of New York, (b) shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto, and (c) may not be modified, amended or terminated, except by a written agreement among the Principal Parties.
35. Owner and Agent Existence, Authorization, Execution of Documents, etc.
- a. The Agent (a) is a corporation validly created, validly existing, and in good standing under the laws of the State, (b) has the power and authority lawfully to own its properties, to carry on its business as now being conducted, and to execute, deliver and perform its obligations under this Agreement and the other Project Documents, in its own capacity or in its capacity as an agent of the Partnership, as applicable.

- 02/07/2001 01:00
- b. The execution and delivery of this Agreement, the other Project documents and all other instruments pertaining to the Partnership or the Project, the performance by the Owner and Agent of their respective obligations or undertakings heretofore taken or made or hereafter to be taken or made, pertaining to the partnership or the Project by the Owner and the Agent, have been or will be duly authorized by all necessary corporate or other action. The execution and delivery of such instruments, the performance of such obligations thereunder, and the performance of such other acts, obligations or undertakings do not and will not conflict with or violate any provision of this Agreement and, as to the agent, do not and will not (a) conflict with or violate any provisions of its certificate/articles of incorporation or by-laws, (b) conflict with, violate, or result in a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of a lien, charge or encumbrance of its properties or assets pursuant to, any agreement or instrument to which any such Agent is a party or by which any of its properties are bound, or (c) conflict with or violate any law, rule, regulation, ordinance or court decree applicable to any such Agent.
- c. This Agreement and the other Project Documents executed and delivered by the Owner and the Agent have been duly executed and delivered by them, are their valid and binding obligations, and are enforceable against them in accordance with their terms.

36. [Intentionally Omitted].

37. Indenture and Installment Sale Agreement. The parties hereto acknowledge that this Agreement is subject to the terms and conditions set forth in the Indenture and the Installment Sale Agreement and agree to comply with the applicable provisions thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

OWNER:

AHF-Columbia Crest, LLC  
A New York Corporation

BY: Garry J. Kearns  
Garry J. Kearns  
Executive Director

AGENT:

American Housing Management Co., Inc.  
A New York Corporation

BY: Kathleen R. Kearns  
Kathleen R. Kearns  
Vice President

EXHIBIT A  
MANAGEMENT PLAN

# MANAGEMENT PLAN

## Columbia Crest Senior Apartments

### I. PARTIES

*Owner:* AHF-Columbia Crest, LLC  
*Managing Agent:* American Housing Management Company, Inc.  
*Property:* Columbia Crest Senior Apartments

### II. ROLE AND RESPONSIBILITY

- A. The Owner shall provide decent, safe and sanitary housing according to the laws and regulations of the State of New York and shall delegate the operation of the property to the Managing Agent through the Management Agreement. The Owner shall have such other obligations as may be imposed by the State of New York Housing Trust Fund Corporation or any successor agency and such other obligations as may be hereinafter defined.
- B. American Housing Management Company, Inc. (the "Managing Agent") is responsible for overseeing and directing the daily operation of the property as will be more fully set forth herein and in the Management Agreement. American Housing Management Company, Inc. is a New York State Corporation and also maintains a Real Estate Brokers' license within New York State; License #854945.
- C. The Managing Agent will consult with the Owner when conditions occur of such a nature that will materially affect the value of the property. The Owner will also be consulted when policy changes are recommended. The Managing Agent shall, through reports, consult with the Owner at least monthly on the status of the Property.
- D. The Managing Agent has full responsibility for the sound financial and physical operation of the property within the financial parameters jointly established by the Owner, the Managing Agent or this Management Plan. Should occasions arise that are not covered by the Agreement, the Owner will be consulted immediately. The Managing Agent will decide on staffing, personnel policy, advertising, and purchasing for the Property.
- E. The key contact person for American Housing Management Company, Inc. is Kathleen Kearns, Vice President, 100 State Street, Suite 370, Albany, New York 12207. Kathleen may be reached at (518) 426-1150. The authority of the Managing Agent is as set forth in the Management Agreement.

### III. PERSONNEL AND STAFFING

- A. The personnel policy and staffing arrangements shall be the responsibility of the Managing Agent.
- B. Projected staffing needs of the project are one (1) full-time Site Manager and one (1) full-time Superintendent. All hiring will be in compliance with the Equal Employment Opportunity requirements.

#### *Site Manager (1):*

Hours: Monday through Friday, 8 a.m. to 5 p.m.

- Must have a High School Diploma, or equivalent
- Two years of college desirable, or like experience.
- Minimum of one year's experience in a supervisory capacity.
- Ability to relate to tenants, contractors, and other outside agencies.
- Ability to read, write, and prepare reports.
- Directs the activities at the Project.
- Responsible for direct supervision of the Superintendent.
- Responsible for abiding by the Tenant Selection Process.
- Maintains the waiting list and applications.
- Schedules work and monitors performance of assigned staff.
- Conducts performance appraisals and takes appropriate personnel actions in accordance with personnel policies.
- Conducts regular inspections for quality and productivity.
- Refers work orders or conditions requiring outside assistance to the property manager, who, as necessary, may refer to the bid process.
- Complete and file all regulatory forms and reports according to schedule.
- Other duties assigned and necessary for efficient operation of the Project on a day-to-day basis.

#### *Superintendent (1):*

Hours: Monday through Friday from 7 a.m. to 4 p.m.  
On call 24 hours for emergencies.

- High School Diploma, or equivalent.
- Two years of vocational training desirable.
- Work meets quality standards set forth by the Managing Agent.
- Prepares job-related documents thoroughly and efficiently.
- Reliable
- Takes appropriate safety precautions.
- Repairs and/or replaces faucets, washers to faucets, seats, stems and spigots.
- Performs minor plumbing repairs such as clogged drains.
- Performs minor electrical maintenance such as replacement of lighting fixtures, wall receptacles and fuses/breakers.



- Assists with minor repair to furnaces, water heaters, and gas stoves, including adjustment of gas burners and the cleaning of furnace filters.
- Operates miscellaneous hand tools (electrical and manual).
- Repairs and replaces doors, windowsills, door locks, cabinets, drawers, etc.
- Installs window shades and screens.
- Installs and repairs electrical systems in all units to the extent applicable.
- Repairs and installs ranges, refrigerators, water heaters and furnaces.
- Adjusts pilot lights and ignites water heaters, furnaces and ranges.
- Performs preventive maintenance.
- Installs some plumbing materials and equipment.
- Removes furniture and trash from vacated apartments.
- Performs trash collection duties.
- Cleans and prepares vacant units for occupancy.
- Responds to resident lockouts.
- Responds to emergencies after regular office hours.
- Cleans common areas including public bathrooms, laundry rooms, trash rooms, and community rooms.
- Removes snow and applies ice melt to all public sidewalks and pedestrian areas.

C. The Site Manager will report to the Managing Agent's Residential Operations Coordinator. The Superintendent will report to the Managing Agent's Site Manager.

D. Full training and promotion opportunities will be available based on the ability and skill of the applicant or worker. When available, project personnel will be encouraged to take relevant educational courses.

E. Fringe benefits, holidays, grievances, terminations and other personnel practices relating to project personnel shall be consistent with the Agent's personnel policy as the same may, from time to time, be amended. In accordance with the Management Agreement, all such benefits and tax withholdings for on-site employees are paid from the Columbia Crest General Operating Account by the Owner.

F. The Managing Agent shall be responsible for preparing and filing all forms, returns, and reports required by law with respect to unemployment insurance, worker's compensation, disability benefits, social security and such other forms as may be required by any governmental agency with respect to the employment of the project personnel.

#### IV. RECORDKEEPING

A. The Managing Agent shall keep accounts and records in accordance with the New York State Housing Trust Fund Corporation requirements.

B. When appropriate, accounts will be established with vendors, suppliers and distributors. The Managing Agent will make all purchases necessary to operate the

project on a day-to-day basis in a routine manner and within an operating budget, prepared by the Managing Agent.

- C. The Site Manager will furnish the Agent with a report on the first day of each month as to the apartments occupied by unit number, resident and move-in date. All reports required by the Owner and/or Housing Trust Fund Corporation will be prepared by the Managing Agent.
- D. A report will be made to the Owner/Sponsor on a monthly basis to show the status of the project. The report format shall include a monthly profit and loss statement showing actual expenditures against budget.
- E. The Managing Agent will establish a Columbia Crest General Operating Account through which all project income and expenses will be recorded. All disbursements from the project account will be made by check. The books will be audited annually in accordance with the Housing Trust Fund Corporation requirements.
- F. The Managing Agent will establish Security Deposit Accounts as set forth in the Management Agreement. Security Deposit Accounts will be equal to one months rent.
- G. Affirmative Fair Housing Marketing Plan:  
American Housing Management Company, Inc. will utilize Title VII Fair Housing Booklet and all employees will participate in related programs offer by NCHM (National Center for Housing Management), Spectrum, and others, as available, along with any seminars offered by any other governmental agencies regarding fair housing. American Housing Management Company, Inc. will adhere to all guidelines as set forth in the Affirmative Fair Marketing Plan to be prepared by the Management Agent and approved by DHCR. (the "Affirmative Fair Marketing Plan")

#### V. MAINTENANCE AND REPAIRS

- A. The project as-built plans and specifications provided by the Owner will be located at the project office. The Managing Agent will coordinate with the Owner to update these documents and record modifications or improvements.
- B. The Managing Agent, if required, will make arrangements for service contracts including but not limited to trash disposal, vermin extermination, decorating, laundry facilities, telephone services, cleaning, and grounds maintenance, and will supervise the vendor performance throughout the contract term.
- C. Annual contracts may be entered into for the service of the appliances and other mechanical equipment. All appliances are checked before a tenant moves into an apartment by the maintenance staff and repairs are made as necessary.

- D. When a resident is ready to move out, the apartment is inspected and repairs or general cleaning is noted. The tenant and the Managing Agent sign a move-out form identifying the results of the inspection.
- E. When a resident moves out of the project, the apartment is prepared for rental. The apartment is cleaned and repainted, as necessary.
- F. Common areas are scheduled for repainting on an as-needed basis.
- G. Carpets, if any, are shampooed as needed, however, at the minimum, on an annual basis.
- H. Garbage and trash removal will be handled under contract and serviced on a weekly basis.
- I. All major repairs in excess of \$1,000 will be approved by the Owner.
- J. The Superintendent will handle ground upkeep and maintenance on a seasonal basis, including the removal of snow and ice and regular rounds of the grounds. Ice removal consists of the use of calcium chloride to provide safe walking for the tenants.
- K. Cleaning of entranceways, halls and common area will be maintained on a daily basis to keep the area in acceptable condition.
- L. Residents will be instructed to report to the Site Manager or the Managing Agent any and all repairs needed. Instructions will be contained in the orientation of each resident prior to occupancy.
- M. Routine preventive maintenance schedules will be established and implemented for all mechanical equipment in accordance with manufacturer's recommendations.
- N. Security provisions for the protection of the tenants are intercom-entry, smoke detectors, fire extinguishers and emergency lights in the halls and common areas, and illumination of each entrance, parking lot and driveway.

#### VI. TENANT ELIGIBILITY/CERTIFICATION:

- A. The Managing Agent shall be responsible for determining tenant eligibility and for certifying and re-certifying tenants' income in accordance with program requirements.
- B. To determine an applicant's eligibility based on income, the Managing Agent will require verification of income in the form of third party income verifications as set forth in the HUD handbook 4350.1 guidelines.
- C. For applicants receiving social security, veterans' benefits, or other fixed or non-taxable income, the Managing Agent will require documentation to verify the source and amount of such benefit.

- D. The applications and all related information will be kept on file pursuant to program requirements or, in the absence thereof, for a period of three (3) years.
- E. The Managing Agent will train all personnel who will be taking resident applications to ensure compliance with Federal Fair Housing Laws.

## VII. RENT

- A. Each resident will be required to enter into a one-year lease, which will contain the provisions outlined in the Housing Trust Fund Corporation manual.
- B. All rent will be due and payable on the first (1<sup>st</sup>) day of each month. Rent is considered late when it is not received by the end of the business day on the fifth (5<sup>th</sup>) of each month.
- C. Rent will be collected at the office on site or by mail to the Managing Agent. Payment will be in the form of a money order, cashiers' check or personal check.
- D. There will be a provision in the lease for late charges.
- E. Evictions, if any, will be carried out in compliance with the terms of the lease, applicable provisions of the Housing Trust Fund Corporation manual, and all applicable State and Local laws. In accordance with Section 9 of the Management Agreement, the Agent shall not terminate the tenancy of any resident from the Project without the prior approval of the Owner.
- F. All residents will be required to make a security deposit at the time the lease is signed in the amount of one month's rent. The Managing Agent will hold security deposits in an interest-bearing account as is required by New York State Law.

## VIII. TENANT SELECTION

- A. The Owner and the Agent shall jointly share in the responsibility of tenant selection in the following manner:
  - i. The Managing Agent shall maintain and keep the waiting lists and provide applications to prospective tenants.
  - ii. As soon as practicable, after learning that a unit will become available, the Managing Agent will prepare the unit for the next individual on the waiting list appropriate for that size apartment.
  - iii. The Managing Agent shall review the applicant's eligibility and examine into such manner as the Owner and Managing Agent deem relevant in making a determination as to the applicant's suitability for tenancy.

IX. RELATED PROJECTS

A. DHCR projects currently managed by American Housing Management Company, Inc.

Whitehall Court Senior Apartments  
360 Whitehall Rd.  
Albany, NY 12208

Van Allen Senior Apartments  
790 Rt. 9W  
Glenmont, NY 12077

Highpointe at Malta Senior Apartments  
30 Rockrose Way  
Malta, NY 12020

Wilton Commons Senior Apartments  
100 Wilton Commons Dr.  
Gansevoort, NY 12831

X. INDEMNIFICATION AND LIABILITY

- A. The Managing Agent agrees to hold the Owner harmless for all liabilities and debts of the project and to pay all expenses incurred by the Owner, including, but not limited to, reasonable attorney's fees and Agent's costs and time in connection with any claim, proceeding, or suit involving an alleged violation by the Agent of any law pertaining to fair employment, fair credit reporting, environmental, taxes, or fair housing and further provided that the Owner shall not be responsible to the Agent for any such expenses in the event the Agent settles such a claim without the consent of the Owner. In no event shall the Owner be responsible for the negligent acts of the Agent or its employees.

XII. INTERPRETATIVE PROVISIONS

- A. At all times, this Agreement will inure to the benefit of and constitute a binding obligation upon the Managing Agent, Owner and their respective successors and assigns.
- B. This Agreement and the Management Agreement constitute the entire Agreement between the Owner and the Managing Agent with respect to the management and operation of the project and no change will be valid unless made by supplemental written agreement, executed by the parties.
- C. This Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement that may be introduced in evidence or used for any other purpose without production of any other counterparts.

- D. The failure of either party to insist upon performance by the other party shall not act as a waiver of the right to demand performance in the future. To be valid, a waiver of any provision must be in writing and signed by both parties hereto.
- E. Owner shall have the ability to assign, at any time, its rights under this Agreement without consent of the Managing Agent.
- F. Agent may assign its rights and obligations only with the consent of Owner, which shall not be unreasonably withheld.

In Witness whereof, the parties have executed this Agreement on the date first above written.

OWNER: AHF-Columbia Crest, LLC

BY: Garry Kearns  
Garry Kearns  
Executive Director

AGENT: AMERICAN HOUSING  
MANAGEMENT COMPANY, INC.

By: Kathleen R. Kearns  
Kathleen R. Kearns  
Vice President