

(a) The Developer is and will be the sole owner of the entire legal and beneficial interest of the lessor in the Leases.

(b) Without the Assignees' prior written consent the Developer will not transfer, sell, assign, pledge, encumber or grant a security interest in any of the Leases except pursuant to the Loan Documents and Second Mortgage Documents.

(c) The Developer will not cause, suffer or permit any Lease to be entered into except in compliance with the provisions of the Regulatory Agreement.

(d) All existing Leases are, and all future Leases will be, legal, valid, binding and enforceable in accordance with their terms, and shall remain in full force and effect irrespective of any merger of the interest of lessor and lessee thereunder.

(e) The Developer will upon the written request of the Surety promptly notify the Assignees of any default or claimed default by lessor or lessee under the Leases of which it becomes aware.

(f) The Developer shall furnish rental insurance to the Assignees in amount and form and written by insurance companies as shall be required by the First Mortgage and Second Mortgage.

(g) The Developer shall not hereafter permit any Lease to become subordinate to any lien other than the lien of the Loan Documents and Second Mortgage Documents and liens consented to in writing by the Assignees.

(h) No payment of rent has been or will be made by any lessee or by any person in possession of any portion of the Premises (as hereinafter defined) for more than two months' installment in advance (except in the ordinary course of business and security deposits) or has been or will be waived, released, reduced, or discounted, or otherwise discharged or compromised by the Developer, and the Developer waives any right of set-off against any lessee or any person in possession of any portion of the Premises.

(i) The Developer has not made and will not make any other or further assignment of the rents, issues, profits, revenues and other income of the Premises or of the Leases except pursuant to the Loan Documents and the Second Mortgage Documents.

(j) The Developer shall perform all material covenants and agreements under the Leases.

(k) All leases of units to Lower Income Tenants (as defined in the Commitment) shall provide for the termination thereof by the Developer, the Authority, the Trustee or the Surety so long as a Surety Bond shall be in effect, if necessary to cause compliance by the Developer and the Project (as defined in the Commitment) with the provisions of the Regulatory Agreement.