HOUSING TRUST FUND CORPORATION

and

[Borrower Name]

AFFORDABLE HOMEOWNERSHIP OPPORTUNITY PROGRAM

REGULATORY AGREEMENT

DATED AS OF [closing date]

This instrument affects real and personal property situated in the State of New York, [Tax Info] County of [Project county], and [Project Municipality Type] of [Project Municipality], commonly known as [Project address].

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. [SHARS #]

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HOUSING TRUST FUND CORPORATION
REGULATORY AGREEMENT

AGREEMENT made as of [closing date], between the HOUSING TRUST FUND CORPORATION, a public benefit corporation with its principal place of business at 38-40 State Street, Albany, New York 12207 ("HTFC") and [Borrower], [an] individual(s) residing at [Borrower address] (such individual(s) together with their successors and assigns, the "Borrower").

W I T N E S S E T H :

NOW THEREFORE, the parties agree that the Property and the Project (as defined below) containing [Units] [(# of units)] dwelling unit(s) of housing for persons of low and moderate income will be occupied and operated in accordance with the following terms and conditions:

Section I

1. Authorization

Pursuant to Chapter 54 of the Laws of 2022 ("Statute") and regulations of HTFC (9 NYCRR 1900 et seq.) as may be amended from time to time ("Regulations"), HTFC is authorized to enter into contracts with eligible applicants to provide grants and loans to provide housing for persons of low and moderate income under the Affordable Homeownership Opportunity Program.

2. Term

The term of this Agreement ("Term") shall commence as of this date and shall expire on the thirtieth (30th) anniversary of the date hereof [INCLUDE IF OPTION 1 AFFORDABILITY AND SINGLE-FAMILY: unless earlier terminated in accordance with Section 3(e)].

Section II

1. Award and Income Affirmation

HTFC has agreed to make an award in the maximum amount of [award amount] DOLLARS [($award amount:9,999)], ("Loan") with respect to land and improvements (collectively "Property") located in the [Municipality Type] of [Property Municipality] in the County of [Property County], which Property is more fully described in the attached Schedule A.

Borrower hereby represents, warrants, and affirms to HTFC that Borrower's household income is no more than [Applicable AMI]% of the area median income, adjusted for family size,

as published by the United States Department of Housing and Urban Development ("HUD") for [Property county] County.

2. Responsibilities for and Regulation of the Property

During the Term hereof, Borrower shall operate and maintain the Property in compliance with applicable federal, state and local laws, rules, regulations and any applicable agreements relating to the Property executed by Borrower, including but not limited to:

(a) the Statute;

(b) the Regulations;

(c) exhibits to this Agreement; and

(d) policies and procedures of HTFC as amended from time to time ("Policies and Procedures of HTFC").

3. Resale to Eligible Purchaser

(a) Except as set forth herein, during the Term the Property may be sold or transferred only to an individual or individuals whose household income is no more than [Applicable AMI]% of the area median income, adjusted for family size, as published by HUD for [COUNTY] County ("Eligible Purchaser").

(b) Income eligibility of any Eligible Purchaser must be verified by a HUD-certified homeownership counselor[1], with payment for such verification being included in the Eligible Purchaser's closing costs, and such verification must be provided to HTFC.

(c) Borrower shall establish a sale price that is affordable[2] for an Eligible Purchaser. The sale price must be verified as affordable for the proposed Eligible Purchaser by a HUD-certified homeownership counselor, and such verification must be provided to HTFC.

(d) Upon confirmation of an Eligible Purchaser's income eligibility and the affordability of a proposed sale price for the Property, HTFC shall approve the sale or transfer of the Property to the identified Eligible Purchaser.

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[1] Borrower may contact HTFC to request the names and contact information for HUD-certified homeownership counselors in their area.

[2] The monthly housing payment consisting of principal, interest, taxes, and insurance may constitute no more than 33% of the monthly income of the Eligible Purchaser, taking into account rental income from any rental units.

(e) The following transfers of the Property shall be exempt from the resale restrictions set forth in this Section 3 and such obligations under this Agreement and related Note and Mortgage may be assigned as follows subject to the requirements of Section 6 herein:

(i) any transfer resulting from the death of Borrower by operation of law or pursuant to any will or trust to a spouse, child (including adopted children or stepchildren), parent, grandparent or grandchild of Borrower;

(ii) any transfer resulting from a decree of dissolution of marriage or legal separation or from a property settlement agreement incidental to such a decree, by which a spouse who is a Borrower becomes the sole Borrower; or

(iii) any transfer in connection with foreclosure by senior lender identified in Section 8 hereof, subject to the terms of a subordination agreement between HTFC and a senior lender.

Following any exempt transfer set forth above in this paragraph (e), the Property shall remain subject to the covenants, conditions, and restrictions set forth in this Agreement.

4. Borrower-Occupancy and Use of the Property

(a) Throughout the Term hereof, Borrower shall continuously occupy [INCLUDE IF MULTIFAMILY: unit #[#] of] the Property as their principal place of residence.

(b) Throughout the Term, Borrower shall maintain the Property in a good, safe, and habitable condition in all respects, except for normal wear and tear, and in compliance with applicable federal, State and local laws, rules, regulations (including State and local building codes) and any applicable agreements relating to the Property executed by Borrower, including but not limited to:

(i) that certain note and mortgage, dated as of the date hereof, in favor of HTFC (the "Note and Mortgage");

(ii) exhibits to this Agreement; and

(iii) policies and procedures of HTFC as amended from time to time ("Policies and Procedures of HTFC").

5. Insurance

Borrower shall purchase and maintain insurance as described in the attached and incorporated Exhibit A.

6. Assignments and Transfers

(a) Borrower shall not assign any right granted to it under this Agreement or delegate any obligation imposed on Borrower herein without the prior written consent of HTFC and any purported assignment or delegation without HTFC's prior written consent shall be void.

(b) Borrower shall provide written notice to HTFC, to the attention of its Housing Management Unit, upon sale or transfer of any interest in the Borrower.

(c) For the duration of the Term, Borrower shall not sell or transfer the Property without the prior written consent of HTFC. Any purported sale or transfer of the Property without HTFC's prior written consent shall be void.

(d) [IF APPLICABLE] If Borrower is a corporation, limited liability company, or other legal entity, Borrower shall provide written notice to HTFC upon sale or transfer of any interest in the Borrower. Any transfer of interest in which HTFC was not given prior notice, shall be deemed void.

7. Agreement to Run With the Land; Recording

This Agreement shall apply to the Property and any successor projects thereto. This Agreement is intended to benefit HTFC and the State of New York as set forth in the Statute. This Agreement and all of the promises, agreements, and covenants herein contained shall be deemed real covenants and shall run with the land and be binding upon the respective heirs, executors, administrators, successors, and assigns of Borrower. HTFC and Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Property and that Borrower's legal interest in the Property are rendered less valuable thereby. HTFC and Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by persons for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary affordable housing accommodations, and are the intended beneficiaries of such covenants. During the term of this Agreement, the covenants of Borrower set forth herein are enforceable by HTFC as a contract beneficiary whether or not Borrower is or remains indebted to HTFC. Borrower shall record this Agreement against the Property at such time, in such manner and in such places as may be required by HTFC and by any present or future law in order to publish notice of and to fully protect the priority of this Agreement and the interest of HTFC in the Property.

8. Other Mortgages

The mortgage held by [Lender name] ("[Lender position] Mortgagee"), «IF Recorded» dated [Mortgage date], and recorded in the [Property county] County Clerk's Office on [Recorded date] in Book [Liber/Book #] of Mortgages at page [Page #] «IF NOT Recorded» dated even date herewith, to be recorded in the [Property county] County Clerk's Office ("[Lender position] Mortgage") is subject to this Agreement. The terms, provisions and covenants of this Agreement are binding on Borrower and the [Lender position] Mortgagee and shall remain binding on any transferee of the Property as the result of the foreclosure of the [Lender position] Mortgage or otherwise, except insofar as HTFC may expressly agree to the contrary in writing.

9. Indemnification

To the fullest extent permitted by law, Borrower shall defend, indemnify and hold harmless HTFC and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to, attorneys' fees arising out of or resulting from performance of this Agreement or the work to be performed pursuant hereto.

10. Non-Liability

Nothing in this Agreement or arising out of the development or operation of the Property shall impose any liability or duty whatsoever on HTFC, the State of New York, or any of its agencies or subdivisions.

11. Covenants of Borrower

Borrower covenants as follows:

(a) If a lien for the performance of work or the furnishing of labor or materials is filed against the Property, Borrower shall cause it to be satisfied, discharged or bonded at the earlier of the time of any request for disbursement or within a period of twenty (20) days after the date of filing of such lien;

(b) Borrower shall comply with all of the terms of any mortgage, deed of trust, security agreement, loan agreement, credit agreement or other instrument executed in favor of any other party; and

(c) Borrower shall have HTFC added as mortgagee to all property insurance policies and as additional insured for all other policies of the Borrower.

12. Records and Reports; Inspections

Borrower shall maintain records, submit reports, and cooperate with audits and inspections as stated in the Statute, Regulations, this Agreement and the Policies and Procedures of HTFC and sufficient to provide HTFC with any information necessary to file such reports as the Statute may require.

13. Modification

This Agreement may not be amended, modified or rescinded unless such amendment, modification or rescission is in writing, and signed by HTFC.

14. No Waiver

No term, provision, or condition of this Agreement shall be deemed waived by HTFC's action or inaction unless the waiver is in writing, signed by HTFC and delivered to Borrower.

15. Notice of Investigation or Default

(a) Borrower certifies to the best of its knowledge, for the period beginning ten (10) years prior to the date of this Agreement, Borrower has not: (i) been the subject of any governmental agency's investigation or audit; (ii) defaulted under any mortgage, deed of trust, security agreement, loan agreement or credit instrument executed in connection with any governmental agency's project; (iii) breached any agreement, credit agreement, lease or other instrument executed in connection with any governmental agency's project; (iv) been suspended, debarred or otherwise restricted by any governmental agency from doing business with such agency; or (v) been convicted of, or been the subject of a complaint or indictment charging a felony; or (vi) defaulted on an obligation covered by a surety or performance bond or been the subject of a claim under an employee fidelity bond.

(b) Borrower shall notify HTFC within five (5) days after obtaining knowledge of: (i) the commencement of any investigation or audit of its activities by any governmental agency; (ii) the alleged default by Borrower under any mortgage, deed of trust, security agreement, loan agreement or credit instrument, whether executed in connection with the Property or otherwise; or (iii) any alleged breach by Borrower of any agreement, credit agreement, lease or other instrument executed in connection with the Property.

Borrower shall provide that, in the event of any alleged default under any of such instruments, the mortgagee, secured party, lender or lessor, as the case may be, shall

simultaneously send to HTFC a copy of any notice of such alleged default sent to Borrower, and shall give HTFC a reasonable opportunity to cure such alleged default; if such mortgagee, secured party, lender or lessor fails to send such simultaneous notice, then Borrower itself shall immediately upon receipt send such notice to HTFC. For the purposes of this paragraph, the term "Borrower" shall include all officers, board members, general partners or other principals, including any person holding a controlling interest in Borrower, as applicable.

16. Default

(a) Any of the following shall constitute an Event of Default hereunder:

(i) if Borrower fails, in the opinion of HTFC, to comply with or perform any of the conditions or covenants contained in this Agreement, the Note and Mortgage, or the Policies and Procedures of HTFC;

(ii) if at any time HTFC becomes aware that a representation or warranty made by Borrower with regard to its application or the Property is or was false or materially misleading;

(iii) if Borrower shall fail to comply with any of the terms of any mortgage, deed of trust, security agreement, loan agreement, credit agreement or other instrument executed in favor of any other party;

(b) Upon the occurrence of an Event of Default, and such default shall have continued for a period of thirty (30) days (unless a shorter cure period is provided for therein), after written notice specifying such default and demanding that the same be remedied shall have been given by HTFC to Borrower (or if such default cannot with due diligence be cured within such period, Borrower shall have failed to commence to cure within such period, or having commenced, shall thereafter fail to prosecute and complete such cure with due diligence), HTFC shall have the right to pursue any remedies available at law or in equity for any breach of this Agreement, including the right to terminate this Agreement; the right to injunctive relief; the right to enforce the provisions and/or specific performance of this Agreement; the right to remove any partner, member or shareholder, as applicable, of Borrower; the right to remove any responsible manager director, officers for the violation; and the right to recover damages suffered by HTFC as a result of any breach of this Agreement by Borrower. Further, HTFC shall have the right to extend the term of this Agreement by the period of any noncompliance upon the recording of an amendment to this Agreement executed solely by HTFC against the Property. The period of noncompliance

shall be presumed to be the period running from the date of issuance of any notice of default until cure of such Event of Default to HTFC's satisfaction.

(c) HTFC or a receiver shall have the right, but not the obligation, upon the happening of any uncured Event of Default as provided in (b) above, in addition to any other rights or remedies available to it, to enter into possession of the Property, collect the rents, pay all necessary costs of the Property in accordance with the terms of this Agreement and the Loan Documents and perform or cause the performance of any and all work and labor necessary or desirable to complete work on the Property, protect the Property or to make repairs to the Property, prohibit distributions to partners, members or shareholders as applicable of Borrower until Borrower has cured the violation(s) and given satisfactory evidence it can comply with the terms of this Agreement, provided, however, that the foregoing shall not be deemed to impose on HTFC the obligation to prosecute to completion any action taken pursuant hereto and HTFC shall have no liability to Borrower arising out of the failure to complete any work commenced pursuant to this Section. All sums expended by HTFC for such purposes shall be deemed to have been paid to Borrower. For this purpose, Borrower hereby constitutes and appoints HTFC its true and lawful attorney-in-fact with full power of substitution to make repairs in the name of Borrower, and hereby empowers said attorney or attorneys as follows: to employ or continue to employ such general contractor, subcontractors, material suppliers, laborers, agents, architects and inspectors as shall be required or may be reasonably desirable for said purposes; to pay, settle or compromise all existing bills and claims which are or may be liens against the Property, or may be necessary or desirable for the completion of any work or the clearance of title; to procure such insurance as may in its judgment be desirable; to execute all applications and certificates in the name of Borrower which may be required by any contract or subcontract; and to do any and every act with respect to work on the Property which Borrower may do in its own behalf. It is understood and agreed that this power of attorney shall be deemed to be a power coupled with a secured interest which cannot be revoked. Said attorney-in-fact shall also have power to prosecute and defend all actions or proceedings in connection with work performed on the Property and to take such action and require such performance as is deemed necessary. Borrower hereby conditionally assigns and quitclaims to HTFC all sums disbursed or to be disbursed hereunder and all retained sums subject to the condition that said sums, if any, be used for work performed on the Property and payment of related expenses as set forth herein.

(d) For the purposes of Section 16(c) above, and in connection with (i) any and all contracts and subcontracts for the provision of labor and the furnishing of materials, fixtures and articles in connection with the rehabilitation, construction, conversion, repairs to or maintenance of the Project which are now in existence or which may exist at any time or times in the future, together with any extensions or renewals thereof (collectively "Contracts"), and (ii) all licenses, approvals, authorizations, consents, certificates and permits in connection with the rehabilitation, construction, conversion, repairs to or maintenance of and operation of the Project which are now in existence or which may exist at any time or times in the future, together with any extensions or renewals thereof (collectively "Licenses"), Borrower hereby assigns the Contracts and Licenses to HTFC, provided, however, Borrower shall enjoy and perform all of its rights and obligations under the Contracts and Licenses until the happening of an Event of Default. In addition, Borrower shall submit to HTFC a letter signed by each subcontractor and contractor under a Contract to the effect that, upon receipt of notice from HTFC of an uncured Event of Default, such subcontractor and contractor will recognize HTFC as Borrower's duly appointed successor and assign and will perform its obligations under such contract as if HTFC were the party with which it had contracted.

17. Dissolution, Liquidation or Termination

[IF BORROWER IS AN ENTITY]

In the event of dissolution, liquidation, or termination of Borrower (whether voluntary, involuntary or by operation of law), this Agreement may be terminated. Such termination shall not relieve Borrower from liability to HTFC pursuant to this Agreement. Whether voluntary, involuntary or by operation of law, Borrower, or its directors, partners or members as the case may be, shall obtain the prior approval of HTFC of any application in whatever form for dissolution and of any proposal or plan of dissolution and distribution of assets.

18. Exhibits

The following schedule, exhibits, and appendices are hereby incorporated into this Agreement and Borrower, to the extent applicable, shall adhere to the provisions contained therein.

Schedule A	Description of Property
Exhibit A	Insurance Provisions

19. Miscellaneous

(a) 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 mail, return receipt requested, to Borrower and to HTFC at the addresses set out herein. A party may change the address by giving notice as provided herein, which will be effective upon receipt.

If to the Borrower: [Borrower name]
[Borrower mailing address]

If to HTFC: Housing Trust Fund Corporation
Hampton Plaza
38-40 State Street
Albany, New York 12207
Attention: Counsel's Office

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) This Agreement may be executed in any number of counterparts or duplicates, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(d) In the event of any conflict or inconsistency between the terms and provisions of this Agreement and the terms and provisions of any other agreement between the Borrower and any third party, the most restrictive terms shall apply.

[SIGNATURE PAGES TO FOLLOW]

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: [HTFC Signatory]
Title: [HTFC Signatory Title]

STATE OF NEW YORK)
) ss.:
COUNTY OF [HTFC notary county])

On [HTFC notary date], before me, the undersigned, personally appeared [HTFC Signatory], 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 they executed the same in [HTFC signatory gender:his/her/their] capacity, and that by [HTFC signatory gender:his/her/their] signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

BORROWER

_____

Name: [Borrower Name]

STATE OF NEW YORK)
) ss.:
COUNTY OF [Borrower notary county])

On [Borrower notary date], before me, the undersigned, personally appeared [Borrower signatory], 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 they executed the same in [Borrower signatory gender:his/her/their] capacity, and that by [Borrower signatory gender:his/her/their] signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A
Description of the Property

EXHIBIT A

AFFORDABLE HOMEOWNERSHIP OPPORTUNITY PROGRAM

PROJECT INSURANCE REQUIREMENTS

This document is intended to summarize the Affordable Homeownership Opportunity Program insurance requirements.

All Insurance, as required below, must:

- include evidence that the insurer will not modify the policy adversely to the interests of any mortgage on the premises or cancel any policy without the minimum notice requirements set forth in Section 3426 of the NYS Insurance law; and
- name "HTFC and the State of New York, 38-40 State Street, Albany, New York 12207" as additional insured and named mortgagee on all certificates (except Blanket Position Fidelity Bond/Crime Coverage and Workers' Compensation and Disability Insurance Coverage as identified below).

Borrower's Property Insurance

- Monetary limits commensurate with the project's 100% insurable replacement value.
- Flood insurance is required if the property is located in Flood Zones A or V. The amount of the flood insurance shall be at least the amount available through the National Flood Insurance Program ("NFIP") or such amounts as HTFC deems appropriate.

The following are required if the Borrower is an entity.

- "Any Auto" automobile coverage in a minimum amount of $1 million if autos are owned.
- Blanket Position Fidelity Bond/Crime Coverage in a minimum amount of three month's rent roll plus value of all project reserves (HTFC named as sole or joint loss payee).
- Evidence of Workers' Compensation and Disability Insurance coverage or has filed Form CE-200 with the Workers' Compensation Board (HTFC not named).

Proof of Insurance

Borrower shall promptly deliver to HTFC a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to HTFC the original (or a duplicate original) of a renewal policy in form satisfactory to HTFC.