

Exhibit 16
Financing Commitments

HUD 202 --\$3.167 MM
(construction/permanent/operating subsidy)

City of Newton CDBG award--\$800,000
(acquisition)

Newton Housing Authority (NHA) IZ Funds-\$22,000
(environmental testing)

Housing Innovations Fund (HIF) \$500,000
(construction/permanent)

Roman Catholic Archdiocese of Boston (RCAB) Escrow
Agreement \$50,000 (environmental remediation)

The Life Initiative --\$491,482
(pre-development assistance)

Massachusetts Housing Partnership-\$50,000
(pre-development assistance)

Newton Housing Authority (NHA)-\$25,000
(pre-development assistance)

Additional secured funding for which we have not included the commitment letters: City of Newton CDBG award \$15,000 (pre-development funds—environmental testing), City of Newton \$50,000 env. remediation escrow



U.S. Department of Housing and Urban Development
MASSACHUSETTS STATE OFFICE, NEW ENGLAND AREA
Office of Housing
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street - Third Floor
Boston, Massachusetts 02222-1092

Fax (617) 565-5493

FEB 2001

Mr. Michael Haran
Executive Director
CASCAP, Inc.
678 Massachusetts Avenue
Cambridge, MA 02139

Dear Mr. Haran:

SUBJECT: Notification of Selection for a Section 202 Fund
Reservation

Location: 245 Watertown Street
Newton, MA
Project No.: 023-EE126
No. of Units: 35
Sponsor: CASCAP, Inc.
678 Massachusetts Avenue
Cambridge, MA 02139

I am pleased to advise you that your application for a Fund Reservation for 35 units of housing for the elderly under the Section 202 Supportive Housing Program has been approved.

Capital Advance authority in the amount of \$3,167,100 has been reserved for this project along with Project Rental Assistance contract and budget authority of \$133,500 and \$667,500 respectively.

The amount of the Project Rental Assistance contract authority reserved for this project is based on 75 percent (rather than on 100 percent) of the current operating cost standards applicable to Section 202 projects in your area. This takes into account the average tenant contribution toward rent. The term of the Project Rental Assistance Contract is sufficient for a minimum of five years and a maximum term which can be supported by funds authorized by the HUD Appropriations Act of 2000. The Department anticipates that at the end of the contract term, renewals will be approved depending upon the availability of funds.

Please indicate by signing in the space provided whether or not you accept this Notification including the special conditions or requirements that are specified herein and certify to your understanding that the project must be developed in accordance with the terms set forth in this Notification. Please advise this Office whether or not a consultant has been/will be used and the type of consultant by completing the following:

 / ✓ / Sponsor/Consultant
 / ✓ / Independent Professional Consultant
 / / No Consultant has been or will be used

FUND RESERVATION TERMS AND CONDITIONS

Your acceptance of this Notification constitutes a certification and agreement by the Sponsor that:

- (1) There will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the Fund Reservation, the property or project, or any interest therein, except transfer from the Sponsor to an approved single-purpose Owner organized by it.
- (2) The Fund Reservation will be canceled if construction, rehabilitation or acquisition from the RTC has not commenced within 18 months from the date of this Notification, unless limited extensions of up to 24 months are approved by HUD. Such extensions will be based upon HUD's determination that the Owner has established a reasonable schedule and is making sufficient progress toward the start of construction.
- (3) The Section 202 Capital Advance and Project Rental Assistance funds reserved for the project identified herein may not be used in connection with any other project.
- (4) This Fund Reservation will be subject to cancellation, at HUD's option, in the event there comes into existence or HUD becomes aware of a pre-existing conflict of interest involving the project on the part of officers or directors of either the Sponsor or Owner organization (including affiliates).
- (5) An attempt will be made to obtain exemption from State and/or local real and/or personal property taxes. Evidence of filing, together with the response received from the taxing authority, must be submitted with the Application for Firm Commitment in one of the following forms:
 - (a) Tax exemption
 - (b) Tax abatement
 - (c) Payment in lieu of taxes (PILOT)
 - (d) Ineligibility for any tax relief

Eligibility for (a), (b), or (c) must be supported by a copy of the appropriate legislation or ordinance.

- (6) HUD will not amend the amount of the Fund Reservation approved for this project before initial closing has occurred. Therefore, based on HUD's review of the Firm Commitment Application, the Sponsor will be liable for the cost of any front-end cash requirement should the cost to develop the project exceed the Fund Reservation amount. After initial closing, HUD may consider an amendment to the Fund Reservation, if necessary, but only for increases resulting from approved change order items during construction subject to the availability of funds.
- (7) HUD will not consider any increases in the Project Rental Assistance Contract reservation approved herein until after one full year of project operation.
- (8) Special Conditions or Requirements.

This Notification of Selection is issued subject to:

- a. Formation of a legally acceptable single-purpose Owner corporation within 30 days from the date of this Notification.
- b. Capitalization of the Owner corporation in a sufficient amount to permit the Owner to meet its obligations in connection with the project. This includes the minimum capital investment, start-up costs, excess land costs, ineligible amenities, excessive construction costs and any other funds the Sponsor specifically commits to the project.
- c. Evidence that the site is under the Owner's control at the time the Application for Firm Commitment is submitted.
- d. Submission of Forms HUD-2530, Previous Participation Certificate, for all officers and directors of the boards of the Sponsor and Owner within 90 days and subsequent clearance thereof.
- e. Credit investigation clearance of Owner's officers of the board.
- f. Submission of an Application for Firm Commitment in full compliance with HUD's design and cost standards and programmatic requirements within 90 days from the date of this letter. The design and cost standards apply to all projects regardless of the proposed operating cost level. The design must not include any prohibited features and must be cost efficient.

- g. Submission of Conflict of Interest and Disclosure Certifications for each officer and director of both the Sponsor and Owner and Identity of Interest and Disclosure Certifications for all known development team members.

NOTE: At any time a new development team member is identified or changed, an Identity of Interest and Disclosure Certification must be submitted. Likewise, at any time the Sponsor or Owner changes any officers or directors, a Conflict of Interest and Disclosure Certification must be submitted for the new persons.

- h. **Submission of the land appraisal with the Firm Commitment application.**

- i. Other Conditions, if any (list below).

To provide you and your architect with assistance in the development of a project which meets HUD's design and cost standards, this office will be conducting a Planning Meeting within the next calendar quarter.

This project will be processed using the guidelines outlined in Notice H96-102, Redesigned Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons With Disabilities Programs - Firm Commitment Processing to Final Closing.

If two copies of this Notification indicating acceptance are not returned within 14 days of your receipt of this letter, or if you accept and a single-purpose Owner fails to submit an Application for Firm Commitment within the specified period, HUD may rescind this Notification and cancel the Fund Reservation.

If you have any questions regarding the requirements for submission of the Application for Firm Commitment and to obtain information about your required attendance at the Office's Project Planning Conference, please call Ellen Guelfi, Senior Project Manager, at (617) 994-8508.

We look forward to working with you toward the successful completion of this project.

Very sincerely yours,



Marie Rines, Chief
Production Division
New England Multifamily HUB

Enclosures

cc:
Mr. Christopher Cotter
Property Development Director
CASCAP, Inc./SHARE Associates
678 Massachusetts Avenue
Cambridge, MA 02139

Accept:



(Signature of Authorized Officer)

Not Accept:

(Signature of Authorized Officer)

Title:

Executive Director

Date:

02/28/01

City of Newton



David B. Cohen
Mayor

City of Newton
Planning and Development Department
Michael J. Kruse, Director

Telephone
(617) 552-7135
Telefax
(617) 965-6620

May 4, 2000

Ms. Kimberly O'Brien
Project Manager
SHARE Associates, a Division of CASCAP, inc.
678 Massachusetts Avenue
Cambridge MA 02139

Dear Kimberly,

Here's your copy of the amendment to the grant agreement for the additional \$100,000.00 for the St. Jean's acquisition.

Please call if you have questions.

Sincerely,

Stephen D. Gartrell
Associate Director for Housing and Community Development



newton
community
development
block

Stephen D. Gartrell, Associate Director for
Housing and Community Development
1000 Commonwealth Avenue, Newton MA 02459-1449

NEWTON HOUSING AUTHORITY
82 LINCOLN STREET
NEWTON HIGHLANDS, MA 02461

Telephone: (617) 964-8080
Facsimile: (617) 964-8387
TDD: (617) 964-1741

Jonathan L. Hacker
Executive Director

May 9, 2000

Mr. Michael Haran
Executive Director
CASCAP, Inc.
678 Massachusetts Avenue
Cambridge, Ma. 02139

Dear Mr. Haran;

Thank you for your letter dated April 12, 2000 requesting predevelopment funding for the Nonantum Village Place Elderly Housing Development.

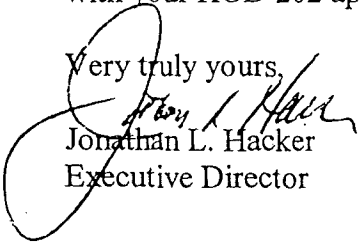
The Newton Housing Authority staff and Board of Commissioners are very excited about This project.

At the Board of Commissioners meeting on April 14, 2000, the Commissioners voted to Award predevelopment funding to CASCAP in an amount not to exceed \$22,000.00.

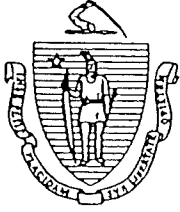
These funds will be made available from the Newton Ten-Percent Inclusionary Zoning Fund which is administered by the Newton Housing Authority.

Please accept the best wishes of the Newton Housing Authority as you move forward with your HUD 202 application.

Very truly yours,


Jonathan L. Hacker
Executive Director

This was a
grant for
\$22,000.



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**
Jane Swift, Governor ♦ Jane Wallis Gumble, Director

June 29, 2001

Mr. Michael Haran
Executive Director
CASCAP, Inc.
679 Massachusetts Avenue
10th Floor
Cambridge, MA 02139

RE: Nonantum Village Place, Newton ("the "Project")

Dear Mr. Haran:

Congratulations on the selection of Nonantum Village Place for a Conditional Funding Reservation of Housing Innovations Fund ("HIF") financing. On behalf of Governor Jane Swift, I am pleased to inform you that funds in an amount not to exceed \$500,000 from the HIF Program have been conditionally reserved by the Department of Housing and Community Development ("DHCD") as a deferred mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and the HIF Firm Financing Commitment are satisfied, the HIF loan will be made to the Project's borrower/sponsor, the SHARE Associates, Inc.

This Conditional Funding Reservation is issued pursuant to and in reliance upon information presented in the HIF application submitted on February 15, 2001. It is also based upon your agreement that the Project will consist of 34 units of affordable rental housing. At a minimum, 25% of the units will be permanently reserved for persons whose incomes are no higher than 80% of the area median income, and 25% of the units will be reserved for persons whose incomes are no higher than 50% of the area median income (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the project.

The loan term will be for a period of 30 years. The term may be extended for one or more periods of up to 10 years each under certain conditions with the approval of DHCD. Simple interest on the loan will accrue at an annual rate of five percent (5%) for the first 20 years of the loan term. No periodic payments will be due under the loan except as follows: the borrower will pay DHCD the amount by which "Gross Cash Receipts" to the Project for each fiscal year just ended exceeds one hundred and five percent (105%) of "Cash Expenditures" for the Project for the same period (as both terms are defined in the HIF regulations); such payments will be applied first to interest and then to principal. The HIF loan may not be prepaid during the term of the loan. There will be no loan origination or other loan processing fees charged to the Developer, with the exception of possible legal fees.

DHCD's practice has been to pay the entire cost of the outside legal counsel assigned to close the loan. In an effort to reduce legal costs for the program and to preserve the program's ability to foster the creation of additional housing, we will budget \$8,000 for the closing of this loan. It is our desire and hope that the cost will actually be less. It is the borrower's responsibility to ensure that our legal counsel is provided with all the necessary documentation in a timely and professional manner. Any costs above this amount will be the responsibility of the borrower. Funds in an amount necessary to cover fees in excess of the \$8,000 will be paid by the borrower at the closing of the HIF loan from the proceeds of the loan or through terms mutually agreed upon by the borrower and DHCD.

As collateral for the loan, DHCD will take a mortgage and security position on the real property located at 245 Watertown Street in Newton. The HIF mortgage may not be any more junior than a third mortgage unless DHCD agrees otherwise in writing. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use of the Project, or default under senior mortgage loans, shall be among the events of default under the HIF loan.

This Conditional Funding Reservation will result in the issuance of a Firm Financing Commitment to the Project, provided the Developer meets the following conditions to the satisfaction of DHCD within six (6) months of the date of this letter:

- 1) submission to and approval by DHCD of a complete Final Application, which must include:
 - a) updated development and operating pro formas including a complete sources and uses of funds statement;
 - b) evidence of a firm commitment of all acquisition, construction and permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD.
- 2) a purchase and sale agreement or other instrument satisfactory to DHCD which indicates that by the date of the HIF loan closing, the Developer will have clear title to the Project, quality of the title to be satisfactory to DHCD's counsel;
- 3) submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
- 4) submission of satisfactory evidence that all legal, design, regulatory, and environmental requirements for the Project are fulfilled and all approvals and site surveys required for the Project are obtained;
- 5) submission of and approval by DHCD of evidence of a satisfactory funding commitment for the Project's service plan.

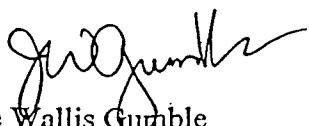
Closing and funding of the HIF loan will be conditioned upon the fulfillment of all terms and conditions of the Conditional Funding Reservation, the HIF Firm Financing Commitment, and

upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding for the HIF loan is also conditioned upon release of funds to DHCD by the Executive Office of Administration and Finance for the HIF Program.

This Conditional Funding Reservation will be in effect until December 1, 2001. If you realize that you will not be able to meet all the requirements within this time, please notify Andrew Nelson, the HIF Program Director at DHCD.

I congratulate you on receiving this Conditional Funding Reservation from the HIF Program and I look forward to seeing the Project move towards completion.

Sincerely,



Jane Wallis Gumble
Director

This Conditional Funding Reservation shall be deemed accepted when it has been signed and a copy returned to DHCD.

SHARE Associates, Inc.

Date: _____



Escrow Agreement

Whereas the Roman Catholic Archbishop of Boston, a corporation sole ("RCAB"), is the owner of parcel B shown on the subdivision plan dated October 17, 2001 and recorded as plan number 1260 of 2001 with the Middlesex South Registry of Deeds; and

Whereas, RCAB has agreed to sell and CASCAP Realty, Inc. ("CASCAP") has agreed to purchase parcel B, together with all appurtenant rights thereto, from RCAB for a purchase price of \$800,000.00 in accordance with a purchase and sale agreement with respect thereto; and

Whereas, CASCAP has had an environmental analysis of the soil conditions of parcel B performed by the engineering firm of Haley & Aldrich for the purpose of determining whether hazardous materials are present on parcel B; and

Whereas, Haley & Aldridge, has performed a soil analysis of parcel B and found certain potentially hazardous materials to be present beneath the surface thereof; and

Whereas, Haley & Aldridge, has estimated that the additional cost of remediating and/or removing such hazardous materials from parcel B may equal the approximate sum of \$150,000.00; and

Whereas, CASCAP is unwilling to purchase parcel B from RCAB unless RCAB agrees to incur a portion of the cost necessary for removing hazardous materials from parcel B in accordance with the environmental analysis undertaken by Haley & Aldridge; and

Whereas, RCAB has agreed to hold in escrow a portion of the purchase price to be paid by CASCAP to RCAB for the purpose of meeting a portion of the site remediation costs associated with parcel B;

Now therefore, for good and valuable consideration, the adequacy and receipt of which is acknowledged by each of the undersigned, RCAB and CASCAP agree as follows:

1. CASCAP agrees to purchase parcel B from RCAB in accordance with the terms and conditions of the purchase and sale agreement between the parties with respect thereto for the purchase price of \$800,000.00; and
2. RCAB agrees to hold in escrow from the sale proceeds of \$800,000.00 paid to RCAB by CASCAP the sum of \$50,000.00, which sum shall be applied in accordance with this Escrow Agreement;
3. RCAB agrees immediately upon receipt of the purchase price of \$800,000.00 from CASCAP, to deposit \$50,000.00 thereof in an interest bearing account to be held by the Rogers Law Firm, P.C. identified as account no. 06-827-6 with Boston Safe Deposit and Trust Company, with such escrow to be applied in accordance with the terms and conditions of this Escrow Agreement;

4. CASCAP agrees to provide RCAB with all reports and/or analysis performed by Haley & Aldridge and/or any other party with regard to the soil conditions present on the parcel B; and
5. CASCAP agrees to provide RCAB with documentation regarding all costs incurred by CASCAP with regard to the removal and/or remediation of hazardous materials from parcel B in accordance with reports prepared in connection therewith by Haley & Aldridge; and
6. Upon receipt of documentation from CASCAP in accordance with the preceding two paragraphs, RCAB agrees to pay to CASCAP or its designee from the Escrow Account held in Boston Safe Deposit and Trust Company up to and not to exceed \$50,000.00 (together with interest earned thereon) toward the cost of remediation of and/or removal of hazardous materials from parcel B; and
7. RCAB and CASCAP agree that the term of this Escrow Agreement shall continue for up to two years from the date of this Agreement. Following expiration of this two year period or such earlier time as when all funds held in escrow pursuant to this Agreement have been disbursed in accordance with this Agreement, RCAB shall no longer have any liability for sharing any costs with regard to remediation and/or removal of hazardous materials from parcel B and all amounts on deposit hereunder in Boston Safe Deposit and Trust Company with regard hereto shall revert to RCAB; and
8. CASCAP agrees that, except for funds received from the City of Newton and for funds awarded to finance the development of affordable housing on Parcel B, in the event it receives public funds for the explicit purpose of remediating and/or removing hazardous materials from parcel B such as an award of "brownfield funds," the amount of any such award shall reduce the liability of RCAB hereunder such that for each \$2.00 received, the liability of RCAB hereunder shall be reduced by \$1.00. Any funds from the City of Newton for site remediation shall not reduce RCAB's liability hereunder.

This agreement is signed under seal this 18 day of March, 2002.

Roman Catholic Archbishop of Boston,
a Corporation sole

By: 

Bernard Cardinal Law

CASCAP, Inc. and CASCAP Realty, Inc.

By: Michael Haran
Michael Haran

Escrow Agent, The Rogers Law Firm, P.C.

By: Wilson D. Wang, Jr.
, Partner



The Massachusetts Life Insurance Community Investment Initiative

February 19, 2002

Michael Haran
CASCAP, Inc.
678 Massachusetts Avenue
Cambridge, Ma 02139

Dear Michael,

I am pleased to confirm that The Life Initiative's Investment Committee has approved a \$385,000 predevelopment loan subject to the attached Summary of Proposed Terms.

This commitment letter is intended to set forth the basic points of business understanding around which the legal documentation will be structured. Further negotiation within the scope of these major terms shall not be precluded by the issuance of this letter or your acceptance of it. As is customary, your acceptance of this proposal will constitute an agreement that all reasonable legal fees and other disbursements incident to this transaction are to be paid by CASCAP whether or not the transaction is consummated.

Please indicate your acceptance of this proposal by signing and returning a copy of this letter no later than March 5, 2002. Please give me a call if you have any questions on this letter or the conditions of the investment. I look forward to working with you in the future.

Very truly yours,

Agreed to and accepted by

THE LIFE INITIATIVE

By: Susan B. Schlesinger
Susan B. Schlesinger
Vice President

By: Michael Haran
Title: Executive Dir.
Date: 03/05/02

Predevelopment Funds for
Nonantum Village Place
Newton, Ma

Summary of Proposed Terms

- Borrower:** CASCAP, Inc. or subsidiary
- Purpose:** To provide predevelopment funds to support the construction of 34 one-bedroom units for low income, frail elderly and 1 unit for a resident manager
- Amount:** \$385,000
- Term:** 2 years or construction financing closing
- Rate:** 6%, interest and principal deferred until term end
- Security:** 1st mortgage on parcel located at 245 Watertown St., Newton a 33,000 sq. ft. site appraised at \$810,000
- Other Conditions:**
- Satisfactory plan and financial resources to address environmental issues
 - Other terms and conditions as required by legal counsel

**Massachusetts
Housing Partnership Fund**

Two Oliver Street
Boston, Massachusetts 02109
Tel: 617 338 7160 Fax: 617 338 8274

48 North Pleasant Street
Amherst, Massachusetts 01002
Tel: 413 253 7479 Fax: 413 253 3002

www.mhpfund.com

June 4, 2001

Michael Haran, Executive Director
CASCAP, Inc.
678 Massachusetts Avenue, 10th Floor
Cambridge, MA 02139



Dear Mr. Haran:

I am pleased to inform you that the Board of Directors of the Massachusetts Housing Partnership Fund (the "MHP Fund") has voted to make a loan in the amount of up to Fifty Thousand Dollars (\$50,000.00) in Predevelopment Loan Funds (the "Predevelopment Loan") to CASCAP, Inc. or its assigns (the "Borrower"). This loan is for the Nonantum Village Place housing project to be located at 245 Watertown Street in Newton, Massachusetts, as described in your application dated December 8, 2000 (the "Project"). The terms and conditions of the Predevelopment Loan will be set forth in the loan and security documents between the MHP Fund and the Borrower. What follows is an outline of those conditions (the MHP Fund reserves the right to require additional terms that are not inconsistent with this outline; in addition, this letter will supersede the previous letter for the Project dated May 3, 2001).

- 1. Predevelopment Assistance:** The Predevelopment Loan will provide funding in support of the development of thirty five (35) rental units of affordable rental housing for the elderly at the Project. The Project is to be financed by the U.S. Department of Housing and Urban Development ("HUD") under the Section 202 program. Upon completion, all of the units will be affordable to seniors earning less than fifty percent (50%) of the area median income.
- 2. Recourse:** The liability of Borrower to pay the Predevelopment Loan will be limited to the proceeds of any construction financing, including, but not limited to, HUD's Section 202 financing, for the Project. In addition, the City of Newton will repay the Predevelopment Loan in the event the Project does not receive such financing.
- 3. Repayment and Term:** The Predevelopment Loan will have a term of twenty-four (24) months or until the closing of HUD's Section 202 financing or other construction financing for the Project, whichever occurs first.

Housing Partnership Fund

Borrower overhead. Disbursement requests will be paid within fourteen (14) days of approval by the MHP Fund


- 9. **Contact Person:** The MHP Fund contact person for the Predevelopment Loan is Michael Thomas or Ann Houston.
- 10. **Expiration Date:** The commitment to make this loan will expire if the closing of the Predevelopment Loan does not occur on or before July 15, 2001;

The MHP Fund was capitalized by the Commonwealth's savings and cooperative banks pursuant to chapter 405 of the acts of 1985. We are therefore able to make this loan for the Nonantum Village Place Project without any impact on the state budget and at no cost to the taxpayers of the Commonwealth.

The MHP Fund believes that the efforts of the Borrower, together with the City of Newton, in developing the Project provide an excellent example of the partnerships that can be created to successfully produce affordable housing. We look forward to working with you in the coming months to help make the Project a reality.

Please indicate the acceptance of this loan commitment by having an authorized representative of the Borrower sign the enclosed copy of this letter and return it, along with a check for the commitment fee in the amount of \$250.00, to the attention of Michael Thomas of the MHP Fund by June 15, 2001.

Sincerely,



Clark L. Ziegler
Executive Director

AGREED AND ACCEPTED:
CASCAP, INC.

By: _____
Print Name:
Title:
Hereunto Duly Authorized

Date: _____

LOAN AGREEMENT

THIS LOAN AGREEMENT is made this 8th day of December, 2000 by and between the Newton Housing Authority ("NHA"), a Massachusetts corporation organized pursuant to M.G.L. ch. 121B, having its principal place of business at 82 Lincoln Street, Newton Highlands, MA. 02461, and CASCAP, Inc. (the "Borrower"), a Massachusetts corporation organized pursuant to M.G.L. ch. 180, having its principal place of business at 678 Massachusetts Avenue, 10th Floor, Cambridge, MA. 02139.

Background

The Borrower, in order to undertake the development of Nonantum Village Place (the "Project"), located at 245 Watertown St., Newton (the "Site"), desires to borrow \$25,000 ("Loan Amount") to finance certain pre-development costs and expenses associated with the development of the Project. The Borrower and NHA agree that all amounts disbursed under the Loan, and all interest on such disbursements, shall be repaid from financing obtained by the Borrower for the Project, which financing is described in Exhibit A hereto ("Financing"). NHA is willing to make such Loan to the Borrower on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Borrower and NHA agree as follows:

1. Loan

1.1 Upon and subject to the terms and conditions hereinafter set forth, NHA agrees to lend to the Borrower, and the Borrower agrees to borrow from NHA, a Loan in the principal amount of \$25,000, which shall be disbursed to the Borrower as provided in Section 2 below.

1.2 The principal amount of the Loan, together with all interest thereon, if any, due under the Note (as hereinafter defined) shall be due and payable to NHA on the date any funds are first disbursed by a lending institution pursuant to any of the Financing described in Exhibit A hereto; provided, however, if and but only if (i) such financing or acceptable replacement financing is not received, and (ii) the Borrower, in NHA's reasonable judgment, has made a good faith effort to obtain Financing or acceptable replacement financing, and (iii) as a result, the Project (and any substantially similar replacement Project) is terminated, and (iv) the Borrower, in NHA's reasonable judgment, shall be unable to repay the Loan through proceeds derived in any way from the Project, then the entire amount of the Loan shall be forgiven and NHA shall return the Note to the Borrower.

1.3 Interest shall accrue on the outstanding principal amount of the Loan from time to time at the rate of 0% per annum (the "Interest Rate")

1.4 The Loan shall be made against delivery of, and shall be evidenced by and repaid in accordance with a duly executed promissory note of the Borrower (the "Note") in form and substance satisfactory to NHA.

1.5 NHA has entered into this Agreement and will make Loan disbursements based upon the Borrower's representations that the proceeds of the Loan will be used for pre-development expenses associated with the Project, and affordable housing project in which 100% of the units will be rented to low and very low income households.

1.6 Borrower agrees to give or assign to NHA all work products related to the Project, which are paid for by the Loan proceeds, including professional reports and products produced by other third party consultants.

2. Loan Disbursements.

2.1 NHA will process request submitted by the Borrower for Loan disbursements in accordance with the terms of Section 2.

2.2 Each request for a Loan disbursement shall be in writing and in form and substance satisfactory to NHA. Each request for a Loan disbursement shall (a) specify the amount of the Loan disbursement requested; (b) specify the particular Project expenses to be funded by the Loan disbursement; (c) specify the particular Project – related work product produced as a result of the Loan disbursement; and (d) be signed by an authorized signatory of the Borrower.

3. Payments.

3.1 All payments of principal and interest, if any, with respect to the Loan shall be made to NHA at its address hereinafter set forth in lawful money of the United States of America, in immediately available funds. Interest and other charges per annum shall be calculated on the basis of actual days elapsed and a year of 360 days.

3.2 All payments of or with respect to principal and interest under the Loan shall be made out of the proceeds of the Financing and such payments shall be due and payable on the date of and out of the first disbursement of the proceeds of the Financing made by the financial institution or other lender providing the Financing.

4. Amendment.

4.1 This Agreement may not be changed, amended or terminated except by written instrument signed by both the Borrower and NHA.

5. Notices and Payment.

5.1 All notices, communications and payments, required or permitted to be given

hereunder shall be sufficiently given if delivered by hand or sent by registered or certified mail, return receipt requested, postage prepaid, duly addressed

if to NHA: Newton Housing Authority
82 Lincoln Street
Newton Highlands, MA. 02461
Attn: Jonathan Hacker, Executive Director

If to Borrower: CASCAP, Inc.
678 Massachusetts Ave., 10th Floor
Cambridge, MA. 02139
Attn: Michael Haran, Executive Director

And shall be deemed given when mailed.

6. Choice of Law.

6.1 This Agreement has been negotiated, executed and delivered in Newton, Massachusetts, and shall be governed by, and construed and enforced in accordance with the substantive laws of the Commonwealth of Massachusetts.

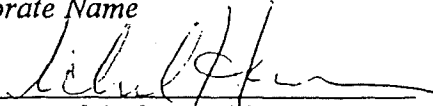
7. Entire Agreement; Severability.


7.1 The Agreement, the Note, and any other instruments or documents executed in connection herewith constitute the entire agreement of the Borrower and NHA concerning the subject matter hereof.

IN WITNESS WHEREOF, the Borrower and NHA have caused this Agreement to be duly executed as an instrument under seal by their respective duly authorized officers of the day and year first written above.

BORROWER

CASCAP, Inc.
Corporate Name

By: 
Signature of Authorized Signatory


Witness

NEWTON HOUSING AUTHORITY

By: 
Signature of Authorized Signatory

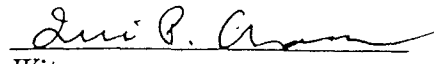

Witness

EXHIBIT A

FINANCING

The principal amount of the loan together with any and all interest thereon, if any, due under the note, shall be due and payable to the NHA on the date of any loan closing for the construction of the project which said lenders may include, but not be limited to, HUD Section 202 Capital Grant, DHCD-Housing Innovation Fund, and Federal Home Loan Bank-AHP Grant.

PROMISSORY NOTE

Newton, Massachusetts
December 8, 2000

\$ 25,000.00
Amount of Loan

FOR VALUE RECEIVED, the undersigned, a Massachusetts non-profit corporation (the "Borrower") promises to pay to the order of the Newton Housing Authority at its office at 82 Lincoln Street, Newton Highlands, MA. 02461 ("NHA") the principal sum of \$25,000, or so much thereof as shall have been advanced to the Borrower from time to time under the terms of a certain Loan Agreement, dated December 8, 2000, between NHA and the Borrower, as the same may be amended from time to time, in connection with the Nonantum Village Place Project (the "Project"), without interest.

The Principal Sum amount advanced under this Note shall be paid as provided in Section 1 and Section 2 of the Loan Agreement.

BORROWER

CASCAP, Inc.

Corporate Name

By: 

Signature of Authorized Signatory

Exhibit 17

Budget

This development budget reflects bids from the general contractor and his sub contractors.

NONANTUM VILLAGE PLACE

1 BR units	35	
Unit Sq. Ft.	491 average	
Total Residential Area	17,183	72%
Common Area /Circ.	6,530	28%
Total Bldg. Area	23,713	

USES OF FUNDS:

		Per unit	Per s.f.	% TDC	
Acquisition					
Land	800,000	22,857	34	12.9%	
Easements	212,938	6,084	9	3.4%	
Subtotal: Acquisition	1,012,938	28,941	43	16.3%	
Construction					
Direct Construction	3,589,951	102,570	151	57.9%	reflects GC&Sub contractor bids
Site Conditions (foundation)	0	0	0	0.0%	now in direct construction
Site Conditions (env. Remediation)	100,000	2,857	4	1.6%	est. from H&A reduced from \$150K-less fill disposal
Construction Contingency	354,235	10,121	15	5.7%	9.6% of direct and site conditions
Subtotal: Construction	4,044,186	115,548	171	65.2%	
General Development Costs					
Architecture and Engineering	332,728	9,507	14	5.4%	Civil&structural engineer, architect, soil borings
Survey and Permits	3,600	103	0	0.1%	DCI survey; building permit cost in direct construction
Clerk of Works	25,000	714	1	0.4%	Assumes .5 FTE for 1 yr. construction period
Environmental Engineer	26,335	752	1	0.4%	Haley & Aldrich
Legal	90,000	2,571	4	1.5%	Estimate
Title and Recording	5,000	143	0	0.1%	Estimate
Accounting/Cost Certification	20,000	571	1	0.3%	Estimate
Marketing/Rent Up/Start up	25,000	714	1	0.4%	Estimate-5,000 for marketing; 20,000 for furnishings, office, etc.
Real Estate Taxes	10,800	309	0	0.2%	Assume: \$600,000 valuation@\$12/1,000 for 1.5 yr.
Insurance	10,000	286	0	0.2%	Estimate
Relocation	0	0	0	0.0%	no tenants
Appraisal	2,000	57	0	0.0%	Completed
Security	0	0	0	0.0%	Assumes cost included in direct construction
Construction Period Interest	0	0	0	0.0%	deferred or grant sources only
Predevelopment Loan Interest	25,000	714	1	0.4%	The Life Initiative
Inspecting Engineer	0	0	0	0.0%	HUD inspector free, HIF and AHT to rely on HUD
Fees:					
HUD (MCI)	10,000	286	0	0.2%	Minimum capital investment
DHCD		0	0	0.0%	
Other		0	0	0.0%	
Development Consultant	39,450	1,127	2	0.6%	
Other: 202 application	22,000	629	1	0.4%	
Other Consultant:	0	0	0	0.0%	
Soft Cost Contingency	32,346	924	1	0.5%	5% of soft costs
Subtotal: General Development	679,259	19,407	29	11.0%	
		0			
Subtotal: Acquisition, Const, Gen. Dev.	5,736,382	163,897	242	92.5%	
Capitalized Reserves					
Developer Overhead	286,819	8,195	12	4.6%	5% of hard and soft costs
Developer Fee	175,000	5,000	7	2.8%	5% of hard and soft costs
TOTAL DEVELOPMENT COST	6,198,202	177,091	261	100.0%	
SOURCES OF FUNDS:					
					<u>Status</u>
HUD 202	3,167,100	90,489	134	51.1%	Committed
City of Newton - CDBG	800,000	22,857	34	12.9%	Committed
NHA- IZ Fund	22,000	629	1	0.4%	Committed
City of Newton--env. Remediation r	50,000	1,429	2	0.8%	Committed-escrow for remediation
Archdiocese of Boston	50,000	1,429	2	0.8%	Committed- escrow for remediation costs
DHCD - HIF Fund	500,000	14,286	21	8.1%	Committed
FHLB - AHP	0	0	0	0.0%	Denied
Aff. Hsg. Trust Fund	600,000	17,143	25	9.7%	Proposed
City of Newton CPA Fund	850,000	24,286	36	13.7%	Proposed
Other funding sources**	115,000	3,286	5	1.9%	Proposed
CASCAP deferred	44,102	1,260	2	0.7%	Committed
TOTAL	\$6,198,202	\$177,091	\$261	100.0%	

(Gap)/ Surplus Budget

0

**Other funding sources include foundation, inclusionary zoning funds, fee waivers.
We have not yet contacted these sources

NONANTUM VILLAGE PLACE 10/31/02

1 BR units 35
 Unit Sq. Ft. 491 average
 Total Residential Area 17,183 72%
 Common Area /Circ. 6,530 28%
 Total Bldg. Area 23,713

USES OF FUNDS:	Budgeted	Allocation of funds by source										CHECK
		HUD 202	City of Newton CDBG	NHA IZ	DHCD HIF	AHTF	Newton CPA Funds	RCAB Escrow	City of Newton Envir.	Other Funding Source	CASCAP Deferred	
Acquisition/ Easements	\$1,012,938	0	800,000	0	0	0	212,938	0	0	0	0	1,012,938
Construction												
Direct Construction	\$3,589,951	2,938,532	0	0	120,256	531,163	0	0	0	0	0	3,589,951
Site Conditions (foundation)	\$0	0	0	0	0	0	0	0	0	0	0	0
Site Conditions (Envir. Remediation)	\$100,000	0	0	0	0	0	0	50,000	50,000	0	0	100,000
Construction Contingency	\$354,235	28,000	0	0	27,225	0	139,908	0	0	115,000	44,102	354,235
Subtotal: Construction	\$4,044,186	2,966,532	0	0	147,481	531,163	139,908	50,000	50,000	115,000	44,102	4,044,186
General Development Costs												
Architecture and Engineering	\$332,728	109,788	0	0	46,003	0	176,937	0	0	0	0	332,728
Survey and Permits	\$3,600	3,600	0	0	0	0	0	0	0	0	0	3,600
Clerk of Works	\$25,000	0	0	0	0	0	25,000	0	0	0	0	25,000
Environmental Engineer	\$26,335	0	0	0	0	0	26,335	0	0	0	0	26,335
Bond Premium	\$0	0	0	0	0	0	0	0	0	0	0	0
Legal	\$90,000	0	0	0	0	714	89,286	0	0	0	0	90,000
Title and Recording	\$5,000	0	0	0	0	0	5,000	0	0	0	0	5,000
Accounting/Cost Certification	\$20,000	0	0	0	0	0	20,000	0	0	0	0	20,000
Marketing/Rent Up/Start up	\$25,000	0	0	0	0	0	25,000	0	0	0	0	25,000
Real Estate Taxes	\$10,800	0	0	0	0	0	10,800	0	0	0	0	10,800
Insurance	\$10,000	0	0	0	0	0	10,000	0	0	0	0	10,000
Relocation	\$0	0	0	0	0	0	0	0	0	0	0	0
Appraisal	\$2,000	0	0	0	0	0	2,000	0	0	0	0	2,000
Security	\$0	0	0	0	0	0	0	0	0	0	0	0
Construction Period Interest	\$0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment Loan Interest	\$25,000	0	0	0	0	0	25,000	0	0	0	0	25,000
Inspecting Engineer	\$0	0	0	0	0	0	0	0	0	0	0	0
Fees:												
HUD (MCI)	\$10,000	0	0	0	0	0	10,000	0	0	0	0	10,000
DHCD	\$0	0	0	0	0	0	0	0	0	0	0	0
Other	\$0	0	0	0	0	0	0	0	0	0	0	0
Development Consultant	\$39,450	0	0	0	0	0	39,450	0	0	0	0	39,450
Other: 202 application	\$22,000	0	0	22,000	0	0	0	0	0	0	0	22,000
Other Consultant:	\$0	0	0	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	\$32,346	0	0	0	0	0	32,346	0	0	0	0	32,346
Subtotal: General Development	\$679,259	113,388	0	22,000	46,003	714	497,154	0	0	0	0	679,259
Subtotal: Acquisition, Const, Gen. Dev.	\$5,736,383											\$5,736,383
Capitalized Reserves												
Developer Overhead	\$286,819	0	0	0	286,819	0	0	0	0	0	0	286,819
Developer Fee	\$175,000	87,180	0	0	19,697	68,123	0	0	0	0	0	175,000
TOTAL DEVELOPMENT COST	\$6,198,202	\$3,167,100	\$800,000	\$22,000	\$500,000	\$600,000	\$850,000	\$50,000	\$50,000	\$115,000	\$44,102	\$6,198,202

NONANTUM VILLAGE PLACE

Exhibit 18

Timeline

Nonantum Village Place
Timeline

• NHA IZ funds awarded	April 2000	completed
• Purchase and Sale Agreement Executed	May 2000	completed
• HUD 202 application submitted	May 2000	completed
• City of Newton awards acquisition funds	May 2000	completed
• Environmental Testing (ash composition, depth) initiated	Dec. 2000	completed
• HUD 202 capital grant approved	Feb. 2001	completed
• HIF deferred loan approved	June 2001	completed
• Emerald Development Group (EDG), receives Special Permit to develop front portion of site as market condos	Aug. 2001	
• Zoning Board of Appeals approves Comprehensive Permit	Nov. 2001	completed
• Life Initiative (pre-development)	Dec. 2001	completed
• CASCAP purchases property	March 2002	completed
• CASCAP and EDG Agree on easement costs/terms	May 2002	completed
• Contractor selected	May 2002	completed
• Construction drawings 95% complete	Oct. 2002	completed
• Environmental remediation specifications complete	Nov. 2002	pending
• CPA Application submitted	Nov. 2002	completed
• Meeting with Advisory Board	Dec. 2002	pending
• Award of AHT funds	Dec. 2002	pending
• Remaining funding gap eliminated	Dec. 2002	pending
• Award of CPA funds	Jan. 2003	pending
• Submittal of the HUD firm commitment	Jan. 2003	pending
• Completion of Construction documents	Jan. 2003	pending
• Closing on state funding	May 2003	pending
• Receipt of the HUD 202 firm commitment	May 2003	pending
• Request for Early Start HUD 202	May. 2003	pending
• Closing on CPA funds	May 2003	pending
• Construction Start	June 2003	pending
• Closing on HUD 202 funds	July 2003	pending
• Construction 50% complete	Nov. 2003	pending
• Construction complete	May 2004	pending
• Certificate of Occupancy	June 2004	pending
• Fully Leased up	Sept 2004	pending