CREATIVE
Management & Realty Co., Inc.

Post Office Box 825
34 Prospect Street
Waterbury, CT 06720-0825

Established in 1965 tel (203) 753-3000 or 1-800-956-2222 ⌂ fax (203) 757-4083 ⌂ service 1-800-267-3491

Scott M. Ziegler, CPM®
President

October 25, 2007

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COMMISSIONER'S OFFICE
DEPT. OF ECON.
& COMM. DEV.

Commissioner of Economic & Community Development
505 Hudson Street
Hartford, Connecticut 06106

Michael J. Jarjura
Mayor of Waterbury
Chase Municipal Building
236 Grand St.
Waterbury, Connecticut 06702

Residents of Prospect Towers

Re: Prospect Towers
34 Prospect Street, Waterbury, CT
FHA Project No.: 017-44024-LDI

Dear Sir or Madam:

Prospect Towers Apartments is assisted by a subsidized mortgage under Section 236 of the National Housing Act, 12 USC 1715z-1 (the "Existing Mortgage"). Additionally, the Department of Housing and Urban Development subsidizes the rent of the apartment units in Prospect Towers through a Section 8 Contract (the "Section 8 Contract"). The current owners of Prospect Towers, the trustees of the John A. Errichetti Family Trust – B, have entered into an agreement to sell the property to Beacon Communities Investments LLC, from Boston, MA. The prospective buyer is an experienced affordable housing developer and owner.

Chapter 128, Section 8-68c of the General Statutes of Connecticut requires that owners provide the Commissioner of Economic and Community Development, the chief executive officer of the municipality in which the housing is located, and all tenants residing in the housing, with a one-year notification of the intent to prepay any mortgage or to terminate any subsidy if such action will result in the cessation or reduction of the financial assistance or regulatory requirements designed to make the assisted units affordable to low and moderate income households.

As the Managing Agent on behalf of the John A. Errichetti Family Trust – B, this letter constitutes the statutory one-year notification of the property owner's intent to prepay the Existing Mortgage and terminate the Section 8 Contract.

Since the project-based contract may not be renewed upon its expiration, it is our understanding that, if Congress makes funds available (which is has in the past and is expected to in

the future) the Department of Housing and Urban Development will provide all eligible tenants currently residing in a Section 8 project-based assisted unit with tenant-based assistance. Unlike the current project-based Section 8 contract, Section 8 vouchers are issued to the tenants and allow them to choose the place they wish to rent. The Section 8 voucher program is administered by local Public Housing Authorities. Federal law allows you to elect to continue living at this property provided that the unit, the rent, and the property owner meet the requirements of the Section 8 tenant-based assistance program. The prospective buyer has advised us that its goal is to maintain Prospect Towers as affordable housing and that it will honor your right as a tenant to remain at the property on this basis as long as it continues to be offered as rental housing, provided that there is no cause for eviction under Federal, State or local law.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Scott M. Ziegler

SMZ/tbd
CC: Beacon Communities Investments LLC
File