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Development: Bedford Village
MassHousing No. 71-030
FHA No. 023-98379
Execution



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**FIRST FEE AND LEASEHOLD MORTGAGE, SECURITY AGREEMENT,
FINANCING STATEMENT (FIXTURE FILING) AND
ASSIGNMENT OF LEASES AND RENTS**

Date: **As of June 15, 2018**

Development: **Bedford Village**

Development Address: **12 Bedford Village
Bedford, Massachusetts**

MassHousing No.: **71-030**

Principal Amount of
First Mortgage Note: **6,594,658.00** /

Borrower: **Bedford Village Preservation Associates Limited Partnership**

Registry: **Middlesex County (South District) Registry of Deeds**

KNOW ALL MEN BY THESE PRESENTS that **BEDFORD VILLAGE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP**, a Massachusetts limited partnership (the "Borrower"), for consideration paid, hereby grants, conveys, transfers, assigns and sets over unto MASSACHUSETTS HOUSING FINANCE AGENCY, a body politic and corporate organized and operated under the provisions of Chapter 708 of the Acts of 1966 of the Commonwealth of Massachusetts, as amended (the "Lender"), with MORTGAGE COVENANTS, upon the STATUTORY CONDITION and with the STATUTORY POWER OF SALE, the Mortgaged Property (as defined below) to secure the Obligations (as defined below). /

The Obligations (as defined below) secured by this Mortgage are due and payable, and the term of this Mortgage shall expire, on the date that is 40 years from the Amortization Commencement Date, as defined in the Note, but no later than **July 1, 2060** (subject always to any extension of the Loan, as described below).

I. DEFINITIONS

The term "Borrower" shall include, wherever the context permits, its permitted successors and assigns.

The term "Contract Documents," as used herein, shall mean and include this First Fee and Leasehold Mortgage, Security Agreement, Financing Statement (Fixture Filing) and Assignment of Leases and Rents (the "Mortgage"); the First Mortgage Note of even date hereof from Borrower to Lender, in the original principal amount set forth above (the "Note"); and all other documents and instruments evidencing or securing repayment of, or otherwise pertaining to and executed and delivered in connection with, the Loan (as defined below), including, but not limited to the Construction Loan Agreement of even date herewith between Borrower and Lender (the "Loan Agreement"); the Regulatory Agreement of even date herewith between Borrower and Lender (the "Regulatory Agreement"); the Residential Compliance Agreement of even date herewith between Borrower and Lender (the "Compliance Agreement"); the Development Fund Agreement of even date herewith between Borrower and Lender (the "Development Fund Agreement"); and all other agreements between Borrower and Lender or from Borrower to Lender, as the same may be amended from time to time, relating to the Loan.

The term "Development" shall mean the Mortgaged Property as described below, operated as a **96-unit** residential rental development as provided herein and in the Regulatory Agreement.

The term "Ground Lease" shall mean the **Ground Lease** dated as of the date hereof between **POAH LANDOWNER, LLC**, a Massachusetts limited liability company, as landlord, and Borrower, as tenant, a notice or memorandum of which Ground Lease is recorded with the Registry noted above concurrently herewith.

The term "Lender" shall include, wherever the context permits, its successors and assigns as the holder of this Mortgage and the payee/obligee of the Note and other Obligations (as defined herein) hereby secured.

The term "Loan" shall include proceeds of the loan evidenced by the Note and secured by this Mortgage, which will be advanced pursuant to the terms, provisions and conditions of the Loan Agreement.

The term "Mortgaged Property" shall mean and include all of the following described property (including any portion thereof):

- (i) Borrower's leasehold estate in the land more particularly described on Exhibit A annexed hereto and made a part hereof (the "Land"), together with Borrower's rights as tenant under the Ground Lease, expressly including all right, title and

interest of Borrower in and to the Ground Lease and the leasehold estate created thereby (the "Leasehold Estate"); together with the fee simple estate of Borrower in the buildings, improvements and other structures now or hereafter located thereon (the "Improvements"); together with all rights, privileges, tenements, hereditaments, appurtenances, and easements with respect to the foregoing (including, but not limited to, any and all rights and easements for access and egress and utility connections), and other rights now or hereafter appurtenant thereto (collectively, the "Real Estate");

- (ii) Fixtures. All real estate fixtures or items, now or hereafter owned by Borrower, or in which Borrower has or hereafter obtains an interest, and now or hereafter located in or upon the Real Estate, or now or hereafter attached to, installed in, or used in connection with any of the Real Estate, including, but not limited to, any and all portable or sectional buildings, bathrooms, plumbing, heating, lighting, refrigerating, ventilating and air-conditioning apparatus and equipment, garbage incinerators and receptacles, elevators and elevator machinery, boilers, furnaces, stoves, tanks, motors, sprinkler and fire detection and extinguishing systems, doorbell and alarm systems, window shades, screens, awnings, screen doors, storm and other detachable windows and doors, mantels, partitions, built-in cases, counters and other fixtures whether or not included in the foregoing enumeration (the "Fixtures");
- (iii) Additional Appurtenances. All bridges, easements, rights of way, licenses, privileges, hereditaments, permits and appurtenances hereafter belonging to or inuring to the benefit of the Real Estate and all right, title and interest of Borrower in and to the land lying within any street, roadway or waterway adjoining any of the Real Estate and all right, title and interest of Borrower in and to any vacated or hereafter vacated streets or roads adjoining any of the Real Estate and any and all reversionary or remainder rights (the "Additional Appurtenances");
- (iv) Awards. All of the right, title and interest of Borrower in and to any award or awards heretofore made or hereafter to be made by any municipal, county, state or federal authorities to the present or any subsequent owners of any of the Real Estate, the Land, the Improvements, the Fixtures, the Additional Appurtenances, the Leases (as hereinafter defined) or the Personal Property (as hereinafter defined), including, without limitation, any award or awards, settlements, payments, or other compensation hereafter made resulting from (x) condemnation proceedings, the taking of the Real Estate, the Land, the Improvements, the Fixtures, the Additional Appurtenances, the Leases or the Personal Property, or any part thereof, under the power of eminent domain; (y) the alteration of grade or the location or discontinuance of any street adjoining the Land or any portion thereof; or (z) any other injury to or decrease in value of the Mortgaged Property (the "Awards");

- (v) Leases. All rights, title and interest of Borrower, as tenant, in and to the Ground Lease, all leases now or hereafter entered into of the Real Estate and/or the Leasehold Estate, or any portion thereof (collectively, the "Leases"), and all rents and payments in the nature or in lieu thereof, including any rental subsidy payments (the "Rents"), issues, profits, revenues, earnings and royalties therefrom, and all right, title and interest of Borrower thereunder, including, without limitation, cash or securities deposited to secure performance by the tenants or occupants of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or occupancy agreements or applied to one or more of the installments of rent coming due prior to the expiration of such terms including, without limitation, the right to receive and collect the rents thereunder, and further including all right, title and interest of Borrower under any guaranties thereof;
- (vi) Subsidy Contracts. All right, title and interest of Borrower in and to any and all subsidy contracts with respect to the Development, including, without limitation, any subsidy contract with the federal government, the Commonwealth of Massachusetts or any other entity for the benefit of the Development or the tenants in the Development (the "Subsidy Contracts"); and
- (vii) Personal Property. All tangible and intangible personal property now owned or at any time hereafter acquired by Borrower of every nature and description, and used in any way in connection with the Real Estate, the Fixtures, the Additional Appurtenances, or any other portion of the Mortgaged Property, including, without limitation express or implied upon the generality of the foregoing, all Equipment, Goods, Inventory, Fixtures, Accounts, Instruments, Documents and General Intangibles (as each such capitalized term is defined in the Uniform Commercial Code in effect in the Commonwealth of Massachusetts) and further including, without any such limitation, the following whether or not included in the foregoing: materials; supplies; furnishings; chattel paper; money; bank accounts; security deposits; utility deposits; any insurance or tax reserves deposited with Lender; any cash collateral deposited with Lender; claims to rebates, refunds or abatements of real estate taxes or any other taxes; contract rights; plans and specifications; licenses, permits, approvals and other rights; the rights of Borrower under contracts with respect to the Real Estate or any other portion of the Mortgaged Property, signs, brochures, advertising, the name by which the Mortgaged Property is known and any variation of the words thereof, and good will associated therewith; copyrights, service marks, and all goodwill associated therewith; and trademarks; all proceeds paid (whether under an insurance policy or otherwise) for any damage or loss to all or any portion of the Real Estate, the Fixtures, the Additional Appurtenances, any other Personal Property or any other portion of the Mortgaged Property (the "Insurance Proceeds"); all Awards; all Leases; all books and records; and all proceeds, products, additions, accessions, substitutions and replacements to any one or more of the foregoing (collectively, the "Personal Property").

The term "Obligations" shall mean and include:

- (i) The payment of the principal sum, interest, fees, charges and indebtedness evidenced by the Note, including any extensions, renewals, replacements, modifications and amendments thereof, in the original principal amount set forth above given by Borrower to the order of Lender;
- (ii) The payment, performance, discharge and satisfaction of each covenant, warranty, representation, undertaking and condition to be paid, performed, satisfied and complied with by Borrower under and pursuant to this Mortgage and also by Borrower under and pursuant to each of the other Contract Documents referred to in, or executed in connection with, this Mortgage;
- (iii) The payment of any and all mortgage insurance premiums due with respect to the Mortgage or the Note;
- (iv) The payment of all costs, expenses, legal fees and liabilities incurred by Lender in connection with the enforcement of any of Lender's rights or remedies under this Mortgage, the other Contract Documents, or any other instrument, agreement or document which evidences or secures any other Obligations or collateral therefor, whether now in effect or hereafter executed; and
- (v) The payment, performance, discharge and satisfaction of all other liabilities and obligations of Borrower to Lender, whether now existing or hereafter arising, direct or indirect, absolute or contingent, and including, without limitation, express or implied upon the generality of the foregoing, each liability and obligation of Borrower under any one or more of the Contract Documents and any amendment, extension, modification, replacement or recasting of any one or more of the instruments, agreements and documents referred to herein or therein or executed in connection with the transactions contemplated hereby or thereby.

The term "Owner" shall mean **POAH LANDOWNER, LLC**, a Massachusetts **limited liability company**.

II. GRANT OF MORTGAGE AND SECURITY INTEREST

Borrower hereby grants to Lender a continuing security interest in all of the Mortgaged Property in which a security interest may be granted under the Uniform Commercial Code as such is in effect in the Commonwealth of Massachusetts including, without limitation, the Fixtures and the Personal Property, together with all proceeds and products, whether now or at any time hereafter acquired and whether or not used in any way in connection with the development, construction, marketing or operation of the Real Estate, or in connection with the Mortgaged Property, to secure all Obligations.

This instrument is intended to take effect as a construction mortgage pursuant to Massachusetts General Laws, Chapter 106, Section 9-334, and as a security agreement pursuant to Massachusetts General Laws, Chapter 106, Section 9-101 et seq., as amended, and is to be filed with the Registry of Deeds (and/or, as applicable, the Registry District of the Land Court) noted above as a financing statement pursuant to said General Laws Chapter 106, Section 9-502.

III. BORROWER COVENANTS, WARRANTIES, REPRESENTATIONS AND AGREEMENTS

Borrower covenants, warrants, represents and agrees with Lender that this Mortgage is made with MORTGAGE COVENANTS, upon the STATUTORY CONDITION and with the STATUTORY POWER OF SALE, as more fully set forth below.

Borrower further covenants, warrants, represents and agrees with Lender, its successors and assigns, that:

1. Title. Borrower has good record and marketable title to the Mortgaged Property and has good right, full power and lawful authority to grant and convey the same in the manner aforesaid. The Mortgaged Property is free and clear of all encumbrances and exceptions, except for the Permitted Title Exceptions, if any, as set forth on Exhibit B annexed hereto and made a part hereof. Borrower shall make any further assurances of title that Lender may in good faith require including, without limitation, executing such further instruments as may be requested by Lender to confirm the assignment to Lender of all Awards.

2. Performance of Obligations. Borrower shall pay the Note and interest thereon as the same shall become due and payable, and pay and perform and observe all of the obligations and conditions set forth in each of the Note, this Mortgage, and the other Contract Documents or other agreements, if any, executed by Borrower in connection with the Loan, including any and all agreements between Borrower and Lender, or either of them, and the United States Department of Housing and Urban Development and/or the Department of Housing and Community Development of the Commonwealth of Massachusetts relating to the provision of mortgage or rental subsidies for the Development.

Lender agrees that its rights upon any foreclosure under this Mortgage shall be subject to the provisions of Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), as such provision is incorporated in any tax regulatory agreement relating to the use of low income tax credits under Section 42 of the Code for the Mortgaged Property to which Borrower may be subject and to which Lender has granted its consent.

2A. Ground Lease. Borrower will perform or caused to be performed or observed all of the terms, covenants, and conditions required to be performed or observed by the tenant under the Ground Lease, and will do all things necessary to preserve and keep unimpaired the tenant's rights thereunder. Borrower will not take or omit to take any action, nor give or omit to give any notice, the taking, giving, or omission of which would have the effect of terminating or

surrendering or permitting the termination or surrender of the Ground Lease, and will notify Lender immediately upon learning of any condition that, with or without the passage of time or the giving of any notice, might result in the termination of the Ground Lease.

(a) Borrower will undertake to cause the landlord under the Ground Lease to perform and fulfill its obligations thereunder in a manner consistent with the terms and conditions of this Mortgage and the other Contract Documents; provided, however, that it shall not be an excuse to Borrower's performance of its obligations hereunder or under any of the other Contract Documents that such landlord has failed to perform any of its obligations under the Ground Lease. Borrower will not enter into any agreement modifying or amending the Ground Lease without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

3. Protection and Maintenance. Borrower shall at all times protect and maintain, or cause to be maintained, in good, first-class and substantial order, repair and tenantable condition and in a manner consistent with applicable building and sanitary codes, (i) the buildings and structures now standing or hereafter erected on the Mortgaged Property, including any additions and improvements thereto, and all Personal Property now or hereafter situated therein; and (ii) the utility services, parking areas and access roads; all building fixtures and equipment, and articles of Personal Property now or hereafter acquired and used in connection with the operation of the Mortgaged Property. Borrower shall promptly replace any of the aforesaid, which may become lost, destroyed or unsuitable for use with other property of similar character.

Borrower shall not commit or suffer any strip or waste of the Mortgaged Property, or any portion thereof, any violation of any law, rule, regulation, ordinance, license or permit, or the requirements of any licensing authority affecting the Mortgaged Property or any business conducted thereon, and shall not commit or suffer any demolition, removal or material alteration of any of the Mortgaged Property (except for the replacement of Fixtures and Personal Property in the ordinary course of business, so long as items of comparable value and quality are installed free and clear of liens in favor of any other party), without the express prior written consent of Lender, which consent shall not be unreasonably withheld or delayed, and Borrower shall not cause or permit to be suffered any destruction or loss (whether or not such loss is insured against) to the Personal Property or any part thereof.

4. Past Due Obligations. Borrower shall notify Lender, in writing, in the event any Operating Obligations (as defined below) of the Development are more than sixty (60) days past due. Such notice shall state with specificity the Operating Obligations that are overdue. As used in this paragraph, "Operating Obligations" of the Development shall mean the usual and customary expenses of operating a residential housing development, including but not limited to, debt service, taxes, replacement reserve obligations, insurance premiums, utility payments, management fees, and payments to the providers of goods and services to the Development. Upon the issuance of such notice, Borrower shall either immediately escrow with Lender the amount of all past due Operating Obligations; or immediately pay such obligations so that no Operating Obligation is more than thirty (30) days past due.

5. Use of Mortgaged Property. Borrower shall not use the Mortgaged Property for any purpose other than the purpose intended on the date of this Mortgage and shall use the Mortgaged Property in accordance with the provisions of the Regulatory Agreement.

6. Insurance Coverages. Borrower shall insure the Mortgaged Property and the operation thereof with such coverages and in such amounts as are required by the provisions of Lender's policies and procedures in effect from time to time, and shall at all times keep such insurance in full force and effect and pay all premiums therefor annually, in advance. Lender shall be designated loss payee with respect to any hazard insurance under a standard mortgagee clause with respect thereto. Upon the Loan closing and at least annually thereafter, Borrower shall provide to Lender evidence of insurance coverages that meet Lender's property, hazard and other insurance requirements to the satisfaction of Lender and payment of all premiums therefor annually, in advance. The original or certified copies of all such policies of insurance (or certificates or binders thereof issued by the insurer in form, content and manner of execution reasonably satisfactory to Lender) shall be delivered to Lender, and Borrower shall deliver to Lender a new policy or certified copy thereof (or such a certificate) as replacement for an expiring policy (or such a certificate) required to be deposited hereunder together with proof of payment of the premiums therefor annually in advance at least thirty (30) days before the date of such expiration. Borrower hereby irrevocably appoints Lender as its true and lawful attorney-in-fact, with full power of substitution, to assign any such policy in the event of the foreclosure of this Mortgage.

7. Insurance Proceeds. The proceeds of any hazard insurance shall be paid to Lender. Hazard insurance proceeds of less than \$100,000 shall, at the written request of Borrower, be applied or released to Borrower upon such conditions as Lender may prescribe to be applied to restoration of the Mortgaged Property. Lender shall advance all hazard insurance proceeds in excess of \$100,000 for the restoration of the Mortgaged Property so long as: (i) no Event of Default (as herein defined) exists and is continuing hereunder; (ii) such proceeds, together with any contribution provided by Borrower, are sufficient to restore the Mortgaged Property to its condition prior to the casualty; (iii) at least five (5) years remain in the term of the Loan; (iv) any Subsidy Contracts in effect with respect to the Mortgaged Property before the casualty shall remain in force and effect; and (v) Lender shall determine that, upon such restoration, the Mortgaged Property can be operating in a financially feasible manner. Lender shall advance any such insurance proceeds through Lender's usual and customary procedures for construction advances. Otherwise, hazard insurance proceeds in excess of \$100,000 shall, at the option of Lender, be applied to or toward the Obligations secured hereby in such order as Lender may determine or, at Lender's discretion, may be applied or released upon such conditions as Lender may prescribe to be applied to restoration of the Mortgaged Property. Notwithstanding anything in this Section 7 to the contrary, however, if the insurer denies liability to Borrower, Borrower shall not be relieved of any obligations under Section 3 of this Mortgage.

8. Eminent Domain. The award of damages on account of any condemnation for public use of or injury to the Mortgaged Property shall be paid to Lender; such award shall, at the option of Lender, be applied to or toward the indebtedness secured hereby in such order as Lender may determine, or in the case of a partial taking, at Lender's discretion, may be so

applied or released to Borrower upon such conditions as Lender may prescribe to be applied to restoration of that part of the Mortgaged Property that remains, but not more than such portion of such award as may be required to restore or repair such damage or injury shall be so released; and any balance remaining shall be applied by Lender to or toward the Obligations secured hereby in such order as Lender may determine.

9. Compliance with Law. Borrower shall not use any of the Personal Property in violation of any applicable statute, regulation, ordinance, decision, directive, order, by-law, or rule, or any policy of insurance thereon, and shall not violate nor suffer the violation of the covenants and agreements, if any, of record against the Mortgaged Property. In all respects, Borrower shall do all things necessary to comply with, and keep in full force and effect all licenses, permits and other governmental authorizations for the operation of the Mortgaged Property for its intended purposes.

10. Environmental and Related Matters; Indemnification. Borrower shall at all times comply with the terms and conditions of the Environmental Rider which is attached hereto as Rider-ENV and incorporated as if set forth herein.

11. Payment of Taxes and Prevention of Liens. Borrower shall pay before delinquent or before any penalty for nonpayment attaches thereto, all taxes, assessments and charges of every nature and to whomever assessed that may now or hereafter be levied or assessed upon the Mortgaged Property or any part thereof, or upon the rents, issues, income or profits thereof or upon the lien or estate hereby created, whether any or all of said taxes, assessments or charges be levied directly or indirectly or as excise taxes or as income taxes. Borrower may apply for tax abatements and prosecute diligently and in good faith claims for refund so long as: (a) no additional taxes, interest thereon or penalties are incurred thereby; (b) a sufficient tax reserve fund as determined by Lender in good faith has been deposited with Lender; and (c) no proceedings are instituted to divest Borrower of title to all or any portion of the Mortgaged Property. Borrower shall pay all sums which, if unpaid, may result in the imposition of a lien on the Mortgaged Property before such lien may attach (except that real estate taxes need not be paid prior to the due date thereof), or which may result in conferring upon a tenant of any part or all of the Mortgaged Property a right to recover such sums as prepaid rent.

12. Due On Sale; No Other Encumbrances; No Transfer of Ownership Interests; Failure to Comply with Permitted Exceptions. Except as otherwise specifically provided for in this Mortgage or the Regulatory Agreement, it shall be a breach of the conditions of this Mortgage and an event permitting Lender to accelerate all indebtedness secured hereby, if, without Lender's prior written consent in each instance, which consent may be granted, withheld or conditionally granted in Lender's sole discretion: (a) there is any sale, conveyance, transfer or encumbrance of, or lien imposed upon, all or any portion of the Mortgaged Property, including any interest of Borrower therein; or (b) there is any transfer or assignment of, or grant of any security interest in, any of the direct or indirect ownership interests in Borrower; or (c) there is a failure to comply with the provisions of, or there is a default under, any of the Permitted Title Exceptions (or any title exception approved with Lender's prior written consent) unless cured

within any applicable grace period provided for in the applicable Permitted Title Exception (or any title exception approved with Lender's prior written consent).

Notwithstanding anything to the contrary contained hereinabove, Borrower, with the prior written consent of Lender in each instance, may: (a) grant easements, licenses or rights-of-way over, under or upon the Real Estate, so long as such easements, licenses or rights-of-way do not destroy or diminish the value or usefulness of the Real Estate or any portion thereof, as determined by Lender in its sole and absolute discretion; (b) sell or exchange any land not required for the Mortgaged Property, provided that the proceeds derived by Borrower from the sale of any such land shall be paid over to Lender for application to or toward the indebtedness secured hereby in such order as Lender may determine; and (c) sell the Mortgaged Property to a new Borrower approved by Lender, in its sole and absolute discretion, which successor in interest shall assume this Mortgage.

13. Lender's Rights. If Borrower shall neglect or refuse: (a) to maintain and keep in good repair the Mortgaged Property or any part thereof as required by this Mortgage; (b) to maintain and pay the premiums for insurance which may be required by this Mortgage; (c) to pay and discharge all taxes of whatsoever nature, assessments and charges of every nature and to whomever assessed, as required by this Mortgage; (d) to pay the sums required to be paid by this Mortgage; or (e) to satisfy any other terms or conditions of this Mortgage, or any instrument secured hereby, Lender may, at its election in each instance, but without any obligation whatsoever to do so, upon thirty (30) days prior written notice (except in the case of: (i) an emergency where there is danger to person or property; (ii) required insurance coverage would lapse; or (iii) an Event of Default shall have occurred and be continuing, in each of which events no notice shall be required), cause such repairs or replacements to be made, obtain such insurance or pay said taxes, assessments, charges, and sums, incur and pay reasonable amounts in protecting its rights hereunder and the security hereby granted, pay any balance due under any conditional agreement of sale (or lease) of any property included as a part of the Mortgaged Property, and pay any amounts as Lender deems reasonably necessary or appropriate to satisfy any term or condition of this Mortgage, which Borrower shall have failed to satisfy, or to remedy any breach of such term or condition, and any amounts or expenses so paid or incurred, together with interest thereon from the date of payment by Lender at the Default Rate established under the Note (the "Default Rate"), shall be immediately due and payable by Borrower to Lender and until paid shall be secured hereby equally and ratably, and the same may be collected as part of said principal debt in any suit hereon or upon the Note. No payment by Lender shall relieve Borrower from any default hereunder or impair any right or remedy of Lender consequent thereon.

14. Access to Mortgaged Property. Lender and its agents shall have the right to enter and inspect the Mortgaged Property at all reasonable times upon reasonable notice (oral or written) to Borrower.

15. Tax Reserve and Insurance Reserve. Commencing on the first day of the month in which principal amortization payments commence under the Note, or such earlier date as required by Lender, Borrower shall pay to Lender on dates upon which installments of interest

are payable under the Note, such amounts as Lender from time to time estimates as necessary to create and maintain a reserve fund from which to pay before the same become due: (a) all taxes, assessments, liens and charges on or against the Mortgaged Property; and (b) all premiums for insurance policies which are required by this Mortgage, provided, however, that Lender hereby agrees that it shall not request that Borrower make such payments if there are mortgage loan proceeds available for that purpose under the terms of the Contract Documents. Such payments shall be invested in an interest-bearing account which shall be held by Lender as cash collateral, and shall be paid to or for Borrower's benefit as set forth below.

Payments from such reserve fund for said purposes may be made by Lender at its discretion even though subsequent owners of the property described herein may benefit thereby. If an Event of Default shall have occurred and be continuing hereunder, any part or all of such reserve fund may be applied, at the option of Lender, to cure any such Event of Default or to any part of the Obligations hereby secured. In refunding any part of said reserve fund, Lender may deal with whomever is the record owner of the Mortgaged Property at that time. Prior to an Event of Default, the amount in such reserve fund, but not in excess of the applicable real estate taxes or insurance premiums then due, shall be paid to the taxing authority or the insurer upon written request of Borrower provided that such request is accompanied by the applicable current billing from the taxing authority or the insurer. Lender agrees that it shall not request that Borrower pay insurance premiums in installments as aforesaid until the occurrence of an Event of Default or an event which, with the giving of notice or the passage of time or both, would constitute an Event of Default.

16. Certain Expenses. If any action or proceeding is commenced, including, without limitation, an action to foreclose this Mortgage or to collect the debt hereby secured, to which action or proceeding Lender is made a party by reason of the execution of this Mortgage, or by reason of any obligation which it secures, or by reason of entry or any other action under this Mortgage, or if in Lender's judgment it becomes necessary in connection with legal proceedings or otherwise to defend or uphold the mortgage hereby granted or the lien hereby created or any act taken to defend or uphold the mortgage hereby granted or the lien hereby created or any act taken under this Mortgage, all sums reasonably paid or incurred by Lender for the expense of any litigation or otherwise, in connection with any rights created by this Mortgage or any other Contract Document, shall be paid by Borrower, or may at the option of Lender, if not so paid, be added to the debt secured hereby and shall be secured hereby equally and ratably and shall bear interest until paid at the Default Rate.

17. Leases. Except for the Ground Lease and residential leases authorized pursuant to the Regulatory Agreement, Borrower shall not (and shall not allow Owner to) enter into any leases or occupancy agreements with respect to the Mortgaged Property and shall not modify or amend any such leases or occupancy agreements without Lender's prior written consent in each instance, which consent shall not be unreasonably withheld. As to each permitted lease or occupancy agreement, Borrower will (or will cause Owner to) perform every material obligation of the landlord and, to the extent commercially reasonable, will enforce every material obligation of the tenant in the leases in effect with respect to all or any part of the Mortgaged Property and, Borrower will not accept (or allow Owner to accept) any prepayment of rent thereunder (except

any rent which may be required to be prepaid by the terms of any such lease). Borrower shall (or shall cause Owner to) comply with all legal requirements pertaining to security deposits, last month's rent, and interest thereon, and Borrower shall (and shall cause Owner to) defend, indemnify and save harmless Lender with respect to all claims relating thereto. As to all leases and occupancy agreements, Lender, at its option after an Event of Default (as herein defined) shall have occurred and be continuing hereunder, may require (and Borrower shall cause Owner to agree) that all security deposits and similar funds or security provided by a tenant or occupant be deposited with Lender, or with an escrow agent satisfactory to Lender, subject to the rights of the tenant or occupant, but otherwise subject to a security interest in favor of Lender.

18. Declaration of Subordination. This Mortgage shall be subject and subordinate to the Compliance Agreement and, notwithstanding the priority of recording, said Compliance Agreement shall be deemed to have been recorded prior to the recording hereof. Furthermore, any discharge of this Mortgage shall not discharge or terminate the covenants set forth in said Compliance Agreement.

At the option of Lender, which may be exercised at any time or from time to time, by written notice to Borrower and to any applicable tenant, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or condemnation proceeds), to any and all leases of all or any part of the Mortgaged Property upon the execution by Lender and the recording or filing thereof, at any time hereafter in the appropriate registry of deeds wherein the Mortgaged Property is situated of a unilateral declaration to that effect.

19. Further Assignment by Borrower. Borrower hereby further assigns to Lender as security for the Obligations its interest as landlord in any and all Leases, now or hereafter outstanding, and to the extent it may lawfully do so, Borrower's interests in all agreements, contracts, licenses and permits, now or hereafter outstanding, affecting all or any portion of the Mortgaged Property. Borrower shall execute, acknowledge and deliver such further or confirmatory assignments thereof, by instruments in form satisfactory to Lender, as Lender may reasonably require. Borrower hereby authorizes Lender in the event of foreclosure, to sell and assign said interests to the purchaser at foreclosure, but neither such assignment nor any such future assignment shall be construed as binding Lender to any lease, agreement, contract, license or permit so assigned, or to impose upon Lender any obligations with respect thereto. Borrower hereby irrevocably appoints Lender, or any agent designated by Lender, the true and lawful attorney-in-fact of Borrower, with full power of substitution, to execute, acknowledge and deliver any such assignment on behalf of Borrower which Borrower fails or refuses to do.

20. UCC Filing. Upon Lender's written request, Borrower shall promptly cause this Mortgage and any required financing statements to be recorded and re-recorded, registered and re-registered, filed and re-filed at such times and places as may be required by law or reasonably deemed advisable by Lender to create, preserve or protect the priority hereof and of any lien created hereby upon the Mortgaged Property or any part thereof; and Borrower shall from time to time do and cause to be done all such things as may be required by Lender, or required by law, including all things which may from time to time be necessary under the Uniform Commercial

Code of Massachusetts to fully create, preserve and protect the priority hereof and of any lien created hereby upon said property. Borrower hereby irrevocably appoints Lender, or any agent designated by Lender, the true and lawful attorney-in-fact of Borrower, with full power of substitution, to execute, acknowledge and deliver any such things on behalf of Borrower which Borrower fails or refuses to do. In addition to and not in limitation of the foregoing, Borrower expressly authorizes Lender to record and re-record, register and re-register and/or file and re-file a financing statement (including any continuation(s) thereof) with respect to the Mortgaged Property, at any time and from time to time prior to the satisfaction in full of the Mortgage, in the event that any previously recorded, registered or filed financing statement (or continuation) of Lender's security interest in the collateral described therein shall have lapsed.

21. Right to Deal with Successor. Lender may, without notice to any person, deal with any successor in interest of Borrower herein regarding this Mortgage and the debt hereby secured in all respects as it might deal with Borrower herein, without in any way affecting the liability hereunder or upon the debt hereby secured of any predecessor in interest of the person so dealt with; and no sale of the premises hereby mortgaged, nor any forbearance on the part of Lender, nor any extension by Lender of the time for payment of the debt hereby secured, shall operate to release, discharge, modify, change or affect the original liability of any predecessor in interest of the equity owner at the time of such sale, forbearance or extension.

22. Events of Default. Any one or more of the following events shall be defined as an "Event of Default":

- (i) the failure to pay any installment of the principal indebtedness, interest, or of any other sum due under the Note, this Mortgage or any of the other Contract Documents within five (5) days of the due date thereof;
- (ii) the occurrence of a default in the performance of any other obligation or breach of condition under the Note, this Mortgage, any of the other Contract Documents, or any subordinate mortgage not held by Lender, continuing beyond thirty (30) days after written notice thereof has been sent to Borrower or the expiration of such additional time period (if any) allowed for the cure thereof specified elsewhere in the Note or in this Mortgage, any of the other Contract Documents or any such subordinate mortgage, unless such default or breach is deemed to be an Event of Default hereunder or under any of the other Contract Documents (in which case, no additional notice and/or cure periods shall be provided), or a shorter notice and/or cure period is specified hereunder or under any other Contract Documents with respect to any such default or breach (in which case, the shorter notice and/or cure period, as applicable, shall govern);
- (iii) the occurrence of a default or breach of condition continuing beyond the expiration of any applicable grace period under the terms of any other agreement, document or instrument relating to the Mortgaged Property or the Loan other than the Note, this Mortgage or any of the other Contract Documents set forth in Subsection (ii) above, evidencing any indebtedness, covenant, liability, obligation

or undertaking due to, or made for the benefit of, Lender by (a) Borrower, (b) any endorser, surety or guarantor hereof, and/or (c) any entity owned, legally or beneficially, by Borrower and/or any endorser, surety or guarantor hereof, whether such indebtedness, covenants, liabilities, obligations or undertakings are direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, joint, several or joint and several, primary or secondary, now existing or hereafter arising;

- (iv) the dissolution, termination of existence, insolvency, business failure of, or the commencement of any kind of insolvency or bankruptcy proceedings by or against Borrower, or any endorser, surety or guarantor of the indebtedness evidenced hereby if not dismissed within forty-five (45) days;
- (v) if any statement, representation, or warranty made in or in connection with the application for the loan evidenced by the Note, or in any supporting financial statement of Borrower or any endorser, surety or guarantor hereof, or in any of the Contract Documents, shall have been found to have been false in any material respect when made; and
- (vi) if a default shall occur under the Ground Lease by reason of which the landlord thereunder is given the right of termination or the right to re-enter and take possession of the Mortgaged Property, or any portion thereof, or if the Leasehold Estate created by the Ground Lease, or any portion thereof, shall have terminated without Lender's prior written consent.

Upon the occurrence of an Event of Default, at the option of Lender, which may be exercised at any time after an Event of Default shall have occurred and is continuing, the entire outstanding principal balance, together with all interest, the Prepayment Fee (as defined in the Note), costs, charges, and other amounts due under the Note, this Mortgage and all of the other Contract Documents, shall immediately become due and payable and upon such acceleration, all amounts due hereunder shall bear interest at the Default Rate. In the case of a monetary Event of Default under Subsection (i) above, the Default Rate shall apply from the date the delinquent payment was due. In addition, at Lender's option and without demand, notice or protest, the occurrence of any such Event of Default shall also constitute a default under all other agreements between Lender and Borrower or any endorser, surety or guarantor of the Note and under all other instruments and papers given to Lender by Borrower or any endorser, surety or guarantor of the Note.

Any and all deposits or other sums at any time or times credited by or due from Lender to, and all securities or other property in the possession of Lender for safekeeping or otherwise and belonging to, Borrower or any endorser, surety or guarantor of the Note or the obligations represented hereby, are and shall be subject to a security interest in favor of Lender to secure payment of the Note. Upon the occurrence of any Event of Default and at any time or times thereafter, without any demand or notice, except to such extent as notice may be required by applicable law, Lender may sell or dispose of any or all of such securities or other property and

may exercise any and all of the rights accorded Lender by the Massachusetts Uniform Commercial Code or other applicable state's Uniform Commercial Code. Lender at any time and from time to time may apply or set off such deposits or other sums against the liability of Borrower or any such endorser, surety or guarantor whether or not such liability is then due. The provisions of this Section 22 are cumulative and are not exclusive of any other rights that Lender has with respect to such deposits, sums, securities or other property under other agreements or applicable principles of law. Lender shall have no duty to take steps to preserve rights against prior parties as to such securities or other property.

Notwithstanding the foregoing, Lender agrees that Borrower's Equity Investor (as defined in the Development Fund Agreement) may cure any monetary default of Borrower under this Mortgage and Lender shall accept any such cure, on and subject to the same terms applicable to a cure by Borrower as set forth above.

23. Additional Rights of Lender.

A. Enter and Perform. Borrower authorizes Lender, in addition to all other rights granted by law or by this Mortgage, or by any of the other Contract Documents, whenever and as long as any Event of Default hereunder shall exist and remain uncured beyond any applicable grace period and without any further notice (other than any notices required under Section 22 hereof), to enter and take possession of all or any part of the Mortgaged Property and to use, lease, operate, manage and control the same and conduct the business thereof, and perform landlord's obligations under any lease or Borrower's obligations under any other agreement affecting all or any part of the Mortgaged Property, perform the obligations of the Owner or landlord under any contracts, and collect the rents, profits and all receipts of every nature therefrom as Lender shall deem best.

B. Repairs and Improvements. Upon every such entry, Lender may from time to time at the expense of Borrower make all such repairs, replacements, alterations, additions and improvements to the Mortgaged Property as Lender may reasonably deem proper, but in no event shall Lender be obligated to do so, and may, but shall not be obligated to, exercise all rights and powers of Borrower, in the name of Borrower or otherwise, as Lender shall determine. Without limitation express or implied upon the generality of the foregoing, Lender shall have the right to do all things reasonably necessary or desirable in order to keep in full force and effect all applicable licenses, permits and authorizations and any amendments thereto.

C. Pay Costs and Expenses. Upon such entry, Lender may, at its option, but without any obligation to do so, do any one or more of the following: pay and incur all reasonable expenses reasonably necessary or deemed by it reasonably appropriate for the holding and operating of the Mortgaged Property; the conduct of any business thereon; the maintenance, repair, replacement, alteration, addition and improvement of the Mortgaged Property; including without limitation payments of taxes, assessments, insurance, wages of employees connected with the Mortgaged Property or any business conducted thereon; charges and reasonable compensation for services of Lender, its attorneys and accountants and all other persons engaged

or employed in connection with the Mortgaged Property or of any business conducted thereon; and in addition Lender, at its option, may, but shall not be obligated to, make payments or incur liability with respect to obligations arising prior to the date it takes possession.

D. Add to Secured Indebtedness. All obligations paid or incurred by Lender pursuant to subsection C, above, shall be reimbursed or paid for by Borrower upon demand and prior to the repayment thereof shall be added to the debt secured hereby and shall bear interest at the Default Rate, and shall be secured hereby equally and ratably. Lender may also reimburse itself therefor from the income or receipts of the Mortgaged Property or any business conducted thereon, or from the sale of all or any portion of the Mortgaged Property. Lender may also apply toward any of the Obligations any tax or insurance reserve account, deposit or any sum credited or due from Lender to Borrower without first enforcing any other rights of Lender against Borrower or against any endorser or guarantor of any of the Obligations or against the Mortgaged Property.

E. Attorney-In-Fact. Borrower hereby irrevocably constitutes and appoints Lender, or any agent designated by Lender, for so long as this Mortgage remains undischarged of record, as attorney-in-fact of Borrower to execute, acknowledge, seal and deliver all instruments, agreements, deeds, certificates and other documents of every nature and description in order to carry out or implement the exercise of Lender's rights hereunder and under the other Contract Documents.

24. Contest of Laws. Borrower shall have the right to contest by appropriate legal proceedings, but without cost or expense to Lender, the validity of any legal requirements affecting the Mortgaged Property subject to the provisions of the Environmental Rider dealing with the right to contest, but only if compliance may be so contested without: (a) the imposition of any charge, lien or liability against the Mortgaged Property; (b) the loss or suspension of any license, right or permit with respect to the Mortgaged Property; or (c) causing any Event of Default to exist under this Mortgage or any other Contract Document. Subject to the foregoing, Borrower may postpone compliance therewith until the final determination of any such proceedings, provided it shall be prosecuted with due diligence and dispatch, and if any lien or charge is incurred, Borrower may, nevertheless, make the contest and delay compliance, provided Lender is furnished with security satisfactory to Lender in its sole and absolute discretion against any loss or injury by reason of such noncompliance or delay and provided further that the same is and may be done without causing any Event of Default to exist under this Mortgage or any of the other Contract Documents.

25. Notices. Any notice or other communication in connection with this Mortgage shall be in writing and (i) deposited in the United States mail, postage prepaid, by registered or certified mail; or (ii) hand delivered by any commercially recognized courier service or overnight delivery service, such as Federal Express, addressed as follows:

If to Borrower: Bedford Village Preservation Associates Limited Partnership
c/o Preservation of Affordable Housing, Inc.
40 Court Street, Suite 700
Boston, MA 02108
Attention: General Counsel

with a copy to: Klein Hornig LLP
101 Arch Street, Suite 1101
Boston, Massachusetts 02110
Attention: Daniel M. Rosen

with a copy to Borrower's Equity Investor:

Massachusetts Housing Equity Fund XXIV LLC
c/o Massachusetts Housing Equity Fund, Inc.
21 Custom House Street, 8th Floor
Boston, MA 02110
Attention: Director of Asset Management

Middlesex Savings Bank
c/o Massachusetts Housing Investment Corporation
21 Custom House Street, 8th Floor
Boston, MA 02110
Attention: Director of Asset Management

with a copy to: Nolan Sheehan Patten LLP
101 Federal Street, 18th Floor
Boston, MA 02110
Attention: Brian C. Patten, Esquire

If to Lender: Massachusetts Housing Finance Agency
One Beacon Street
Boston, MA 02108
Attention: General Counsel

Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above.

A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the date of actual receipt (or tender of delivery and refusal thereof) as evidenced by the return receipt; or (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party.

26. Lender Not Obligated; Cumulative Rights. Nothing in this instrument shall be construed as obligating Lender to take any action or incur any liability with respect to the Mortgaged Property or any business conducted thereon, and all options given to Lender are for its benefit and shall and may be exercised in such order and in such combination as Lender in its sole discretion may from time to time decide.

27. Severability. In case any one or more of the provisions of this Mortgage, the Note, or any of the other Contract Documents, or any other agreement now or hereafter executed in connection with any one or more of the foregoing are held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof. Each of the provisions of every such agreement, document or instrument shall be enforceable by Lender to the fullest extent now or hereafter not prohibited by applicable law.

28. No Waiver. No consent or waiver, express or implied, by Lender to or of any Event of Default by Borrower shall be construed as a consent or waiver to or of any other Event of Default at the same time or upon any future occasion.

29. Statutory Condition and Power of Sale. This Mortgage is upon the STATUTORY CONDITION and upon the further condition that all covenants and agreements of and conditions imposed upon Borrower contained herein and in the Note, and the other instruments and agreements evidencing or securing the Obligations secured hereby, and any other Contract Document, shall be kept and fully performed, for any breach of which (remaining uncured beyond the grace period, if any, expressly provided herein or therein) Lender shall have the STATUTORY POWER OF SALE, and upon the further condition that upon any Event of Default or other breach remaining uncured as aforesaid, Lender shall have as to the Personal Property all the rights and remedies of a secured party under the Uniform Commercial Code as now in effect in The Commonwealth of Massachusetts including, but not limited to, the option to proceed as to both the Real Estate and Personal Property under the law relating to foreclosure of real estate mortgages, and such further remedies as from time to time may hereafter be provided in Massachusetts for a secured party, and upon the further condition that all rights of Lender under this Mortgage and the other Contract Documents as to the Personal Property and the Real Estate may be exercised together or separately and, at Lender's discretion, in connection with the exercise by Lender of its rights under any one or more of the Contract Documents. To the fullest extent not prohibited by applicable law: (a) in case of a foreclosure sale Lender shall be entitled to retain one percent (1%) of the purchase money in addition to the costs, charges and expenses allowed under the Statutory Power of Sale or under this Mortgage and (b) in case redemption is had by Borrower after foreclosure proceedings have been begun, Lender shall be entitled to collect all costs, charges and expenses, including reasonable attorneys' fees, incurred through the time of redemption plus a fee of one percent (1%) of the Obligations secured hereby.

In exercising its power of sale under this instrument, Lender may sell: (a) the Personal Property, or any part thereof, either separately from or together with the Real Estate and the balance of the Mortgaged Property, or any part thereof, either as one parcel or unit or in such separate parcels or units, all as Lender may in its discretion elect; (b) the Mortgaged Property, or

the Real Estate, as one parcel or unit or in such separate parcels or units, all as Lender may in its discretion elect; and (c) the Mortgaged Property or any part thereof either separately from or together with the whole or any part of other collateral which may constitute security for any obligation secured by the Mortgaged Property, also as Lender may in its discretion elect. In the event of any separate sale of Personal Property, Lender will give to Borrower reasonable notice of the time and place of any public sale or of the time after which any private sale or other intended disposition thereof is to be made, and such requirement of reasonable notice shall be met if such notice is mailed postage prepaid to the address of Borrower as provided in this Mortgage at least ten (10) days before the time of the sale or other disposition.

30. Waivers by Borrower. Borrower, to the fullest extent that Borrower may do so, hereby: (a) agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay or extension, or any redemption after foreclosure sale, and waives and releases all rights of redemption after foreclosure sale, valuation, appraisal, stay of execution, notice of election to mature or declare due the debt secured hereby; and (b) waives all rights to a marshalling of the assets of Borrower, including the Mortgaged Property, or to a sale in inverse order of alienation in the event of a sale hereunder of the Mortgaged Property, and agrees not to assert any right under any statute or rule of law pertaining to the marshalling of assets, sale in inverse order of alienation, or other matters whatever to defeat, reduce or affect the right of Lender under the terms of this Mortgage or the Note to a sale of the Mortgaged Property for the collection of the indebtedness evidenced by the Note without any prior or different resort for collection, or the right of Lender to the payment of such indebtedness out of the proceeds of sale of the Mortgaged Property in preference to every other claimant whatever.

31. Business Loan; Not Personal Residence. Borrower covenants, warrants and represents that all of the proceeds of the Loan secured hereby shall be used for business or commercial purposes, that none of the proceeds of the Loan secured hereby shall be used for personal, family or household purposes, and that no individual liable for the Loan resides or intends to reside in any portion of the Mortgaged Property.

32. Certification. The undersigned hereby certifies that: (a) Borrower is a duly organized, validly existing **limited partnership** organized and in good standing under the laws of The Commonwealth of Massachusetts; (b) Borrower is a single asset, sole purpose entity; (c) the information contained in the One-Stop Application submitted by or on behalf of the Borrower to the Lender, together with such changes from time to time made thereto as approved by the Lender, is true and correct in all material respects.

33. Headings. Headings and captions in this Mortgage are for convenience and reference only and the words and phrases contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of any of the provisions hereof.

34. Time of Essence. Time shall be of the essence of each and every provision of the Note, this Mortgage and each of the other Contract Documents.

35. Set Off. All deposits or other sums at any time credited by or due from Lender to Borrower, and all cash, securities, instruments, or other property of Borrower in the possession of Lender (whether for safekeeping) shall at all times constitute security for the Obligations, and except for tax and insurance reserve funds which are provided for in Section 15 herein, may be applied or set off by Lender against the Obligations as provided in Section 22 hereof.

36. Liability/Non-Recourse Provisions.

A. Borrower Fully Liable. Borrower shall be fully liable for the Loan and the other obligations of Borrower to Lender evidenced by the Note and this Mortgage.

B. Non-Recourse. Notwithstanding the provisions of subsection (a) above, no partner (general or limited), manager, or member of Borrower and no officer, director, trustee, member, manager, agent, or employee of Borrower or of any partner, manager, or member thereof shall have any personal liability for the payment of any sum of money that is, or may become, payable by Borrower under or pursuant to the Note, this Mortgage, or any of the other Contract Documents or for the performance of any obligation by Borrower arising pursuant to the Note, this Mortgage, or any of the other Contract Documents, and Lender shall look only to Borrower and its assets for such payment or performance.

C. Fraud/Willful Breach/False Representation. Nothing herein shall preclude Lender from asserting such claims as it may have at law or in equity against any partner, manager or member of Borrower or any officer, director, trustee, member, manager, agent, or employee of Borrower or of such partner, manager or member for any loss or damage Lender actually suffers as a result of any of the following:

- (i) a willful breach by such person of the provisions limiting payments or distributions to partners, members, managers, or affiliates as set forth in the Contract Documents; or
- (ii) intentional fraud committed by such person; or
- (iii) a willful breach by such person of a warranty contained in any Contract Document or a false representation of a material fact made by such person with respect to itself, Borrower or the Mortgaged Property which was known by such person to be false when made; or
- (iv) a false representation knowingly made by such person that it has legal capacity and is authorized to sign the Note, this Mortgage or other Contract Documents, on behalf of the entity on whose behalf such individual has signed.

D. Additional Matters. Nothing contained in the provisions of this Section 36 or elsewhere shall limit: (i) the right of Lender to obtain injunctive relief or to pursue equitable

remedies under any of the Contract Documents, excluding only any injunctive relief ordering payment of obligations by any person or entity for which personal liability does not otherwise exist; or (ii) the liability of any attorney, law firm, architect, accountant or other professional who or which renders or provides any written opinion or certificate to Lender in connection with the Loan even though such person or entity may be an agent or employee of Borrower or of any partner, manager, or member thereof.

37. Integration. The Contract Documents supersede all prior agreements between the parties with respect to the loan transaction which they evidence, whether oral or written, including without limitation, all correspondence between the parties and between counsel for their respective parties. The Contract Documents constitute the sole and entire agreement between the parties hereto with respect to the subject loan transaction, and the rights, duties, and obligations of the parties with respect thereto. In executing this Mortgage, Borrower acknowledges that Borrower is not relying on any statement, representation, warranty, covenant or agreement of any kind made by Lender or any employee or agent of Lender, except for the agreements of Lender set forth in the Contract Documents.

38. Risk Sharing Rider. Attached hereto is Rider A, which shall constitute a part of Borrower's obligations under this Mortgage from and after the initial/final endorsement of the Note secured hereby by Lender and the Secretary of Housing and Urban Development under the provisions of Section 542(c) of the Housing and Community Development Act of 1992 and the regulations with respect thereto, and the agreements contained therein shall be in addition to and not in derogation of any other terms and conditions contained herein and shall continue in full force and effect for the duration of this Mortgage.

[The remainder of this page is intentionally blank. Signature page follows.]

[Bedford Village: First Leasehold Mortgage – Borrower Signature Page & Notary]

IN WITNESS WHEREOF, Borrower has caused this Mortgage to be executed by its duly authorized representative(s) as an instrument under seal as of the date set forth above.

BORROWER:
BEDFORD VILLAGE PRESERVATION ASSOCIATES
LIMITED PARTNERSHIP, a Massachusetts limited
partnership

By: POAH Bedford Village, LLC, its general partner

By: Preservation of Affordable Housing, Inc., its sole member

By: *Aaron Gornstein*
Name: Aaron Gornstein
Title: President
and Chief Executive Officer

COMMONWEALTH OF MASSACHUSETTS

County of Suffolk, ss.

On this 24th day of May, 2018, before me, the undersigned notary public Aaron Gornstein personally appeared, proved to me through satisfactory evidence of identification, which was: [] at least one current document issued by a federal or state government agency bearing the photographic image of the signatory's face and signature, [] the oath or affirmation of a credible witness unaffected by the document or transaction who is personally known to me and who personally knows the signatory, or identification of the signatory based on my personal knowledge of the identity of the signatory, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose, as President for Preservation of Affordable Housing, Inc., an Illinois non-profit corporation, as manager for POAH Bedford Village, LLC, a limited liability company, as general partner for Bedford Village Preservation Associates Limited Partnership, a limited partnership, as the voluntary act of the partnership.



STEPHANIE KAY WOOD
Notary Public
Commonwealth of Massachusetts
My Commission Expires
June 19, 2020

Stephanie Kay Wood
Notary Public
My Commission Expires: 6/19/2020

Attachments:

- Exhibit A – Legal Description
- Exhibit B – Permitted Title Exceptions
- Rider-ENV – Environmental Rider
 - Schedule A – Environmental Reports
- Rider A – Risk-Sharing Rider

EXHIBIT A

LEGAL DESCRIPTION

The land with the buildings and improvements situated thereon, on Dunster Road in Bedford, Massachusetts shown on A Compiled Plan of Land in Bedford, Mass. dated Jan. 24, 1974 by Albert A. Miller and Wilbur C. Nylander, Civil Eng'rs & Surveyors recorded with said Registry as Plan No. 892 at the end of Record Book 12680, containing, according to said plan, 10.38 acres more or less, and being bounded and described as follows:

Northeasterly and Northerly by Dunster Road, by two courses measuring 269.11 feet and 480.89 feet;

Easterly by land now or formerly of Donovan 147.00 feet more or less;

Southerly by land now or formerly of McKenna 102.33 feet; Easterly by land now or formerly of McKenna, Tortino and Kaiser 345.00 feet;

Southeasterly and Southerly by seven courses measuring from east to west 225.00 feet more or less, 291.00 feet more or less, 169.00 feet more or less, 257.00 feet more or less, 11.00 feet more or less, 340.23 feet more or less, and 59.40 feet;

Westerly by land of the Town of Bedford by two courses measuring 146.22 feet and 97.09 feet; and

Northerly again by land now or formerly of McGann and of Maynide, Inc. by three courses measuring 17.00 feet, 501.00 feet more or less and 214.00 feet more or less.

EXHIBIT B

PERMITTED TITLE EXCEPTIONS

The exceptions contained in Schedule B, Part I of a mortgagee title insurance policy issued by **First American Title Insurance Company** to, and accepted by, Lender with respect to the Mortgage Loan. Any exceptions contained in Schedule B, Part II of said mortgagee title insurance policy shall be subordinate to the lien created by the Mortgage.

RIDER-ENV

ENVIRONMENTAL RIDER

As used herein:

A. The term "Environmental Legal Requirements" shall mean all applicable past (which have current effect), present or future federal, state, county and local laws, by-laws, rules, regulations, codes and ordinances, or any judicial or administrative interpretations thereof, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, applicable to the regulation or protection of the environment, the health and safety of persons and property and all other environmental matters, and shall include, but not be limited to, all orders, decrees, judgments and rulings imposed through any public or private enforcement proceedings, relating to Hazardous Materials (as hereinafter defined) or the existence, use, discharge, release, containment, transportation, generation, storage, management or disposal thereof, or otherwise regulating or providing for the protection of the environment applicable to the Mortgaged Property and relating to Hazardous Materials, or to the existence, use, discharge, release or disposal thereof. Environmental Legal Requirements presently include, but are not limited to, the following laws: Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), the Public Health Service Act (42 U.S.C. §300(f) et seq.), the Pollution Prevention Act (42 U.S.C. §13101 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Federal Clean Water Act (33 U.S.C. §1251 et seq.), the Federal Clean Air Act (42 U.S.C. §7401 et seq.), the Massachusetts Oil and Hazardous Materials Release, Prevention and Response Act, G.L. c.21E et seq.; the Massachusetts Hazardous Waste Management Act, G.L. c.21C et seq.; the Massachusetts Wetlands Protection Act, G.L. c.131, 40 et seq.; the Massachusetts Clean Waters Act, G.L. c.21, 26-53 et seq.; and the Massachusetts Clean Air Act, G.L. c.111, 142 et seq., each as the same may be amended from time to time.

B. The term "Hazardous Materials" shall mean and include asbestos, flammable materials, explosives, radioactive or nuclear substances, polychlorinated biphenyls, other carcinogens, oil and other petroleum products, radon gas, urea formaldehyde, chemicals, gases, solvents, pollutants or contaminants that could be a detriment or pose a danger to the environment or to the health or safety of any person, and any other hazardous or toxic materials, wastes and substances which are defined, determined or identified as such in any past, present or future federal, state or local laws, by-laws, rules, regulations, codes or ordinances or any judicial or administrative interpretation thereof.

C. The term "Surrounding Property" shall mean any property located within 100 feet of the perimeter of any of the individual parcels that constitute the Mortgaged Property.

D. The term "Indemnified Party" shall mean: (i) Lender; (ii) all those claiming by, through or under Lender, including any subsequent holder of the Loan and any present or future owner of a participation interest therein; (iii) any subsequent owner or tenant of all or any portion

of the Mortgaged Property (other than tenants of the residential units) following the exercise by Lender of its rights under the Mortgage, or the other Contract Documents including, but not limited to, a foreclosure sale or deed in lieu thereof; and (iv) as to each of the foregoing, their respective affiliate, parent and subsidiary corporations, and, as applicable, the respective officers, directors, stockholders, agents, employees, accountants and attorneys of any one or more of them, and any person, firm or entity which controls, is controlled by, controlling, or under common control with, any one or more of them.

E. The term "Environmental Enforcement Action" shall mean all actions, orders, requirements or liens instituted, threatened, required, completed, imposed or placed by any governmental authority and all claims made or threatened by any other person against or with respect to the Mortgaged Property or any Surrounding Property, or any present or past owner or occupant thereof, arising out of or in connection with any of the Environmental Legal Requirements, any environmental condition, or the assessment, monitoring, clean-up, containment, remediation or removal of, or damages caused or alleged to be caused by any Hazardous Materials (i) located on or under the Mortgaged Property or any Surrounding Property, (ii) emanating from the Mortgaged Property or any Surrounding Property, or (iii) generated, stored, transported, utilized, disposed, managed, or released by any Borrower (whether or not on, under or from the Mortgaged Property or the Surrounding Property).

F. The terms "generated," "stored," "transported," "utilized," "disposed," "managed," "released," "threat of release" and all conjugates thereof, shall have the meanings and definitions set forth in the Environmental Legal Requirements.

G. The term "Environmental Reports" shall mean the reports identified on Schedule A, which is annexed hereto and made a part hereof.

H. All other capitalized terms used in this Rider which are not otherwise specifically defined herein shall have the same meaning herein as in the Mortgage.

Borrower hereby unconditionally agrees as follows:

1. Compliance with Environmental Legal Requirements.

1.1 Compliance. Until such time as all Obligations of Borrower with respect to the Loan have been paid in full, Borrower guaranties and agrees that Borrower shall comply with all Environmental Legal Requirements, including, but not limited to, Environmental Legal Requirements applicable to the Mortgaged Property and that Borrower shall take all remedial action necessary to avoid any liability of Borrower, Lender, or any subsequent owner of the Mortgaged Property, and to avoid the imposition of or to discharge any liens on the Mortgaged Property, as a result of any failure to comply with Environmental Legal Requirements applicable to the Mortgaged Property.

1.2 Prohibitions. Without limitation upon the generality of the foregoing, Borrower agrees that it shall not:

- (i) release or permit any release or threat of release of any Hazardous Materials in any reportable quantity on any portion of the Mortgaged Property;
- (ii) generate or permit any Hazardous Materials to be generated on the Mortgaged Property;
- (iii) except in strict compliance with all Environmental Legal Requirements, store, or utilize, or permit any Hazardous Materials to be stored or utilized on the Mortgaged Property;
- (iv) dispose of or permit any Hazardous Materials to be disposed of on the Mortgaged Property;
- (v) fail to operate, maintain, repair and use the Mortgaged Property in accordance with Environmental Legal Requirements; or
- (vi) allow, permit or suffer any other person or entity to operate, maintain, repair and use the Mortgaged Property except in accordance with Environmental Legal Requirements.

2. Notice of Conditions. Borrower shall provide Lender with prompt written notice, but in no event later than ten (10) business days after obtaining any actual knowledge or actual notice thereof, of any of the following conditions: (a) the presence or any release or threat of release, of any Hazardous Materials in any reportable quantity on, under or from the Mortgaged Property, or any Surrounding Property, whether or not caused by Borrower; (b) any Environmental Enforcement Action instituted or threatened; or (c) any condition or occurrence on the Mortgaged Property, or any Surrounding Property, that may constitute a violation of any of the Environmental Legal Requirements with respect to the Mortgaged Property.

3. Borrower's Agreement to Take Remedial Actions.

3.1 Remedial Actions. Upon Borrower becoming aware of the violation of any Environmental Legal Requirement related to the Mortgaged Property, or the presence, or any release or any threat of release, of any Hazardous Materials on, under, or from the Mortgaged Property or any Surrounding Property, whether or not caused by Borrower, Borrower shall, subject to the rights to contest set forth in Section 6, immediately: (a) take all actions to cure or eliminate any such violation of any such Environmental Legal Requirement and, where applicable, to arrange for the assessment, monitoring, clean-up, containment, removal, remediation, or restoration of the Mortgaged Property, and (b) to the extent that the presence of any Hazardous Materials on the Surrounding Property ("Affected Surrounding Property"), originated on, under, or from the Mortgaged Property, or constitutes a danger to the Mortgaged Property, take all actions as (i) are required pursuant to any Environmental Legal Requirements or by any governmental authority, and (ii) may otherwise be advisable and reasonably requested

by Lender consistent with Environmental Legal Requirements, but only to the extent that Borrower has a legal right to do so.

3.2 Security for Costs. If the potential costs associated with the actions required in Section 3.1, the release of any lien against the Mortgaged Property, and the release or other satisfaction of the liability, if any, of Borrower with respect to the Mortgaged Property arising under or related to any of the Environmental Legal Requirements or any Environmental Enforcement Action are determined by Lender, in good faith, to exceed \$50,000, Lender shall have the right to require Borrower to provide, and Borrower shall provide, within thirty (30) days after written request therefor, a bond, letter of credit or other similar financial assurance, in form and substance satisfactory to Lender, in its good faith judgment, evidencing to Lender's reasonable satisfaction that the necessary financial resources will be unconditionally available to pay for all of the foregoing.

3.3 Environmental Assessments. Lender shall have the right to require Borrower, at its own cost and expense, to obtain a professional environmental assessment of the Mortgaged Property in accordance with Lender's then standard environmental assessment requirements and sufficient in scope to comply with the requirements of Section 4 upon the occurrence of any one or more of the following events: (a) an Event of Default; or (b) upon receipt of any notice of any of the conditions specified in Section 2 of this Rider.

4. Lender's Rights to Inspect the Mortgaged Property and Take Remedial Actions.

4.1 Lender's Rights. So long as any of the Contract Documents shall remain in force and effect, Lender shall have the right, but not the obligation, through such representatives or independent contractors as it may designate, to enter upon the Mortgaged Property and to expend funds to:

- (i) Assessments. Cause one or more environmental assessments of the Mortgaged Property to be undertaken, as provided in Section 3.3 above or, if Lender, in its reasonable discretion, determines that it has reasonable grounds that such assessment is appropriate. Such environmental assessments may include, without limitation: (a) detailed visual inspections of the Mortgaged Property, including without limitation all storage areas, storage tanks, drains, dry wells and leaching areas; (b) the taking of soil and surface and sub-surface water samples; (c) the performance of soil and ground water analysis; and (d) the performance of such other investigations or analysis as are necessary or appropriate and consistent with sound professional environmental engineering practice in order for Lender to obtain a complete assessment of the compliance of the Mortgaged Property and the use thereof with all Environmental Legal Requirements and to make a determination as to whether or not there is any risk of contamination (i) to the Mortgaged Property resulting from Hazardous Materials originating on, under, or from any Surrounding

Property or (ii) to any Surrounding Property resulting from Hazardous Materials originating on, under, or from the Mortgaged Property;

- (ii) Cure. Cure any breach of the representations, warranties, covenants and conditions made by or imposed upon Borrower under this Rider including without limitation any violation by Borrower, or by the Mortgaged Property, or by any other occupant, prior occupant or prior owner thereof, of any of the Environmental Legal Requirements applicable to the Mortgaged Property;
- (iii) Prevention and Precaution. Take all actions as are necessary to: (a) prevent the migration of Hazardous Materials on, under, or from the Mortgaged Property to any other property; (b) clean-up, contain, remediate or remove any Hazardous Materials on, under, or from any other property which Hazardous Materials originated on, under, or from the Mortgaged Property; or (c) to the extent Borrower has a legal right to do so, prevent the migration of any Hazardous Materials on, under, or from any other property to the Mortgaged Property;
- (iv) Environmental Enforcement Actions. Comply with, settle, or otherwise satisfy any Environmental Enforcement Action including, but not limited to, the payment of any funds or penalties imposed by any governmental authority and the payment of all amounts required to remove any lien or threat of lien on or affecting the Mortgaged Property; and
- (v) General. Comply with, settle, or otherwise satisfy any Environmental Legal Requirement and correct or abate any environmental condition on, or which threatens the Mortgaged Property and which could cause damage or injury to the Mortgaged Property or the Surrounding Property or to any person.

4.2 Recovery of Costs. Any amounts paid or advanced by Lender and all costs and expenditures incurred in connection with any action taken pursuant to the terms of this Rider, including but not limited to environmental consultants' and experts' fees and expenses, attorneys' fees and expenses, court costs and all costs of assessment, monitoring, clean-up, containment, remediation, removal and restoration, with interest thereon at the Default Rate, as defined in the Mortgage, shall be a demand obligation of Borrower to Lender and, to the extent not prohibited by law, (and so long as the Mortgage remains undischarged of record) shall be added to the obligations secured by the Mortgage when paid by Lender and shall be secured by the lien of the Mortgage and the other security documents as fully and as effectively and with the same priority as every other obligation secured thereby.

4.3 Lender Not Responsible. The exercise by Lender of any one or more of the rights and remedies set forth in this Section 4 shall not operate or be deemed (a) to place upon Lender any responsibility for the operation, control, care, service, management,

maintenance or repair of the Mortgaged Property; or (b) make Lender the “owner” or “operator” of the Mortgaged Property or a “responsible party” within the meaning of any of the Environmental Legal Requirements.

4.4 Lender’s Subrogation. Furthermore, Lender, by making any such payment or incurring any such costs, shall be subrogated to all rights of Borrower or any other occupant of the Mortgaged Property to seek reimbursement from any other person including, without limitation, any predecessor, owner or occupant of the Mortgaged Property who may be a “responsible party” under any of the Environmental Legal Requirements in connection with the presence of Hazardous Materials on, under or which emanated from, the Mortgaged Property.

4.5 Lender May Stop. Without limiting the generality of the other provisions of this Rider, any partial exercise by Lender of any one or more of the rights and remedies set forth in this Section 4 including, without limitation, any partial undertaking on the part of Lender to cure any failure by Borrower or of the Mortgaged Property, or any other occupant, prior occupant or prior owner thereof, to comply with any of the Environmental Legal Requirements shall not obligate Lender to complete such actions taken or require Lender to expend further sums to cure such non-compliance.

5. Indemnification. At all times, both before and after the repayment of the Loan, Borrower agrees that it shall at its sole cost and expense indemnify, defend, exonerate, protect and save harmless each Indemnified Party against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgment, suits, proceedings, costs, disbursements or expenses of any kind or nature whatsoever, including, without limitation, attorneys’ and experts’ fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against any Indemnified Party and arising from or out of:

5.1 Hazardous Materials. Any Hazardous Materials on, in, under or affecting, all or any portion of the Mortgaged Property or any Affected Surrounding Property on or before the date hereof, or which may hereafter affect all or any portion of the Mortgaged Property or any Affected Surrounding Property, whenever discovered;

5.2 Environmental Legal Requirements. The violation of any Environmental Legal Requirement by Borrower (which term, for purposes hereof, shall include Owner and any party acting under the direction or control of Borrower and/or Owner) with respect to the Mortgaged Property or any Affected Surrounding Property, existing on or before the date hereof or which may so exist in the future, whenever discovered;

5.3 Breach of Warranty, Representation or Covenant. Any breach of warranty, representation or covenant made by Borrower under or pursuant to this Rider; and

5.4 General. The enforcement of this Rider or the assertion by Borrower of any defense to the obligations of Borrower hereunder, whether any of such matters arise before or after foreclosure of the Mortgage or other taking of title to or possession of all or any portion

of the Mortgaged Property by Lender or any other Indemnified Party, and specifically including therein, without limitation, the following: (i) costs incurred for any of the matters set forth in Section 4 of this Rider; and (ii) costs and expenses incurred in ascertaining the existence or extent of any asserted violation of any Environmental Legal Requirements relating to the Mortgaged Property and any remedial action taken on account thereof including, without limitation, the costs, fees and expenses of engineers, geologists, chemists, other scientists, attorneys, surveyors, and other professionals, or testing and analyses performed in connection therewith.

6. Right to Contest. Borrower may contest in good faith any claim, demand, levy or assessment under any Environmental Legal Requirements, including, but not limited to, any claim with respect to Hazardous Materials, by any person or entity if:

6.1 Material Question in Good Faith. The contest is based upon a material question of law or fact raised by Borrower in good faith;

6.2 Diligent Pursuit. Borrower properly commences and thereafter diligently pursues the contest;

6.3 No Impairment. The contest will not materially impair the taking of any required remedial action with respect to such claim, demand, levy or assessment;

6.4 Adequate Resources. Borrower demonstrates to Lender's reasonable satisfaction that Borrower has the financial capability to undertake and pay for such contest and any remedial action then or thereafter necessary;

6.5 Resolve by Maturity. There is no reason to believe that the contest will not be resolved prior to the maturity of the Loan; and

6.6 No Event of Default. No Event of Default exists under the Contract Documents.

7. Warranties and Representations. Borrower represents and warrants to Lender, the same to be true as of the date hereof and throughout the period that any of the Contract Documents shall remain in force and effect, that, except as otherwise disclosed in the Environmental Reports:

7.1 No Hazardous Materials at Mortgaged Property. No Hazardous Materials in reportable quantities have been or are currently generated, stored (other than Hazardous Materials used by Borrower in the ordinary course of its business in compliance with all applicable Environmental Legal Requirements), transported, utilized (other than Hazardous Materials used by Borrower in the ordinary course of its business in compliance with all applicable Environmental Legal Requirements), disposed of, managed, released or located on, under or from the Mortgaged Property, whether or not in reportable quantities, or in any manner

introduced onto the Mortgaged Property including without limitation any septic, sewage or other waste disposal systems servicing the Mortgaged Property;

7.2 No Violations Claimed Re: Mortgaged Property or Borrower. Borrower has received no notice from the Department of Environmental Protection of The Commonwealth of Massachusetts, the United States Environmental Protection Agency or any other governmental authority claiming that: (i) the Mortgaged Property or any use thereof violates any of the Environmental Legal Requirements; or (ii) Borrower or any of their respective employees or agents have violated any of the Environmental Legal Requirements with respect to the Mortgaged Property or any Surrounding Property;

7.3 No Liability to Governmental Authorities. Borrower has not incurred any liability to The Commonwealth of Massachusetts, the municipality where the Mortgaged Property is located, the United States of America or any other governmental authority under any of the Environmental Legal Requirements;

7.4 No Lien on Mortgaged Property. No lien against the Mortgaged Property has arisen under or is related to any of the Environmental Legal Requirements;

7.5 No Enforcement Actions. There are no Environmental Enforcement Actions pending, or, to the best of Borrower's information, knowledge and belief, threatened;

7.6 No Knowledge of Hazardous Materials at Surrounding Property. Borrower has no knowledge (without independent inquiry other than obtaining and reviewing the Environmental Reports) that any Hazardous Materials have been or are currently generated, stored, transported, utilized, disposed of, managed, released or located on, under or from the Surrounding Property in violation of or allegedly in violation of any of the Environmental Legal Requirements;

7.7 No Knowledge of Violations Re: Surrounding Property. Borrower has no knowledge (without independent inquiry other than obtaining and reviewing the Environmental Reports) of any action or order instituted or threatened by any person or governmental authority arising out of or in connection with the Environmental Legal Requirements involving the assessment, monitoring, cleanup, containment, remediation or removal of or damages caused or alleged to be caused by any Hazardous Materials generated, stored, transported, utilized, disposed of, managed, released or located on, under or from any Surrounding Property;

7.8 No Underground Storage Tanks. There are no underground storage tanks on or under the Mortgaged Property;

7.9 No Dangerous Conditions. No environmental condition exists on the Mortgaged Property that could cause any damage or injury to the Mortgaged Property, any Surrounding Property or to any person;

7.10 No Violations. The performance of the obligations evidenced hereby will not constitute a violation of any law, order, regulation, contract, organizational document or agreement to which Borrower is a party or by which its property is or may be bound; and

7.11 No Litigation. There is no material litigation or administrative proceeding now pending or threatened against Borrower which if adversely decided could materially impair the ability of Borrower to pay or perform its respective obligations hereunder.

8. Survival. The provisions of this Rider shall continue in effect and shall survive (among other events) any payment and satisfaction of the Loan and the Obligations, any termination or discharge of the Mortgage, foreclosure, a deed-in-lieu transaction, or release of any collateral.

9. Right of Borrower to Terminate Obligations. Borrower shall have the right to terminate its continuing liability hereunder upon fulfillment of each of the following conditions to the reasonable satisfaction of Lender:

- (i) Lender shall have received Non-Contestable Payment (as defined herein) in full of all Obligations, including but not limited to repayment in full of the Loan, but excluding any Obligations which might arise in the future under the provisions of this Rider. The term "Non-Contestable" shall mean the receipt of payment of the Loan or other satisfaction of the Obligations and the expiration of all periods of time within which a claim for the recovery of a preferential payment, or fraudulent conveyance, or fraudulent transfer, in respect of payments received by Lender as to the Obligations, as defined in the Mortgage, could be filed or asserted with:
(a) no such claim having been filed or asserted; or (b) if so filed or asserted, the final, non-appealable decision of court of competent jurisdiction denying the claim or assertion.
- (ii) Borrower shall have delivered to Lender a report complying with the provisions of Sections 3 and 4 hereof and such report does not disclose the existence of any violation of Environmental Legal Requirements applicable to the Mortgaged Property, or the lawful assertion by any governmental agency or third party of any violation which has not been cured of any Environmental Legal Requirements, on or with respect to the Mortgaged Property, which report shall be dated, or last updated, to a date which is not earlier than the date on which the Mortgage was discharged or released of record.
- (iii) No Environmental Enforcement Action shall be pending or threatened in writing with respect to the Mortgaged Property.
- (iv) The Loan has been repaid without Lender or any affiliate thereof ever having taken actual possession of any of the Mortgaged Property, or

constructive possession, through either: (i) the appointment of a receiver; or (ii) any other exercise of Lender's rights and remedies following an Event of Default under any of the Contract Documents.

- (v) No change shall have occurred in applicable Environmental Legal Requirements or in any official interpretation thereof (including governmental, judicial or administrative) which could result in any Indemnified Party being held responsible for causing the Mortgaged Property to fail to be in compliance with Environmental Legal Requirements.
- (vi) At least thirteen (13) months have passed since the date the principal, interest and fees due Lender in respect of the Loan was paid (without regard to the passage of time required to establish Non-Contestable Payment) and no claim has been asserted for which any indemnification is provided for in this Rider.

Such termination of Borrower's liability hereunder shall become effective only upon the delivery by Lender to Borrower of a specific written acknowledgment of the satisfaction of the foregoing conditions and the termination of such obligations, which Lender agrees to provide unless Lender makes the good faith determination that the conditions to such termination have not been satisfied.

10. Qualifications and Limitations. Notwithstanding anything to the contrary contained in this Environmental Rider:

10.1 Borrower's obligation to cure or eliminate any violation of Environmental Legal Requirements under clause (A) of Section 3.1 shall be limited to violations of Environmental Legal Requirements at the Mortgaged Property;

10.2 Borrower shall have no obligation to take actions pursuant to clause (B) of Section 3.1 with respect to any Affected Surrounding Property which did not originate on, under, or from the Mortgaged Property unless (a) the presence of Hazardous Materials on the Surrounding Property constitutes an imminent danger to the Mortgaged Property, and (b) such action is commercially reasonable given the location and severity of the condition, the potential responsibility of other parties to remediate such condition under applicable law (including Environmental Legal Requirements) and Borrower's legal standing to take action at the Affected Surrounding Property;

10.3 Borrower shall have no obligation to post security with Lender under Section 3.2 for potential costs associated with any Environmental Enforcement Action which does not directly relate to conditions at (a) the Mortgaged Property, or (b) any Affected Surrounding Property which originated on, under, or from the Mortgaged Property;

10.4 Borrower shall have no obligation for costs incurred by Lender to remediate any condition, or to comply with, settle or otherwise satisfy any Environmental Enforcement Action or Environmental Legal Requirement, which does not directly relate to conditions at the Mortgaged Property unless Borrower would be obligated to take action pursuant to clause (B) of Section 3.1 as affected by Section 10.2; and

10.5 Borrower shall have no obligation to indemnify Lender under Section 5 for conditions which are not located at the Mortgaged Property unless Borrower would be obligated to take action with respect to such conditions pursuant to clause (B) of Section 3.1 as affected by Section 10.2.

[The remainder of this page is intentionally blank.]

SCHEDULE A
TO
ENVIRONMENTAL RIDER

ENVIRONMENTAL REPORTS

1. Phase I Environmental Site Assessment (ESA) for 2-22 Bedford Village, prepared by Axiom Partners, Inc. ("Axiom") dated 10/22/2017.
2. Preliminary Hazardous Building Materials Investigative Survey Report, by Axiom, 6/22/2017.
3. Radon Sampling Results, by Axiom, 11/2/2017.
4. Phase I Environmental Site Assessment (ESA) for 2-22 Bedford Village, prepared by Axiom dated 4/17/2018.
5. Asbestos Operations and Maintenance (O&M) Program for Bedford Village Apartments, prepared by Axiom dated December 2017
6. Lead Paint Operations and Maintenance (O&M) Program for Bedford Village Apartments, prepared by Axiom dated December 2017

RIDER A

Re: Provisions of 24 CFR § 266.410

The undersigned, the Borrower named in the First Leasehold Mortgage, Security Agreement, Financing Statement (Fixture Filing) and Assignment of Leases and Rents to which this Rider is attached (together with this Rider, the "Mortgage"), hereby agrees with the Massachusetts Housing Finance Agency, as Lender (the "Lender"), as follows, effective from and after the initial/final endorsement of the Note secured hereby by the Secretary of Housing and Urban Development under the provisions of Section 542(c) of the Housing and Community Development Act of 1992 and the regulations with respect thereto (the "Risk-Sharing Endorsement"):

1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning given such terms in the Mortgage.

2. Terms and Conditions. The agreements contained in this Rider shall be in addition to and not in derogation of any other terms and conditions contained in the Mortgage and shall continue in full force and effect for the duration of the Mortgage.

3. Insured Mortgage. The Mortgage is insured by the Secretary of Housing and Urban Development ("HUD") under Section 542(c) of the Housing and Community Development Act of 1992 and the regulations set forth in 24 C.F.R. Part 266, in effect as of the date of endorsement by HUD. Borrower shall be responsible for payment to Lender of mortgage insurance premiums ("MIP"), in an amount equal to 0.25% of the outstanding principal balance of the Loan, which represents 0.125% payable to HUD and 0.125% payable to Lender. Borrower shall pay to Lender the first year's MIP by the date Lender submits its request to HUD for the Risk-Sharing Endorsement and monthly installments thereafter such that the annual premium for MIP in each succeeding year will be available on the anniversary of HUD's issuance of the Risk-Sharing Endorsement (or, if specified by Lender for ease of administration, a date contemporaneous with the date of such issuance) to pay said premium.

4. As set forth in the Granting Clauses of the Mortgage, Borrower's estate in the Land and Improvements upon which the mortgage lien created hereby has been imposed is as follows:

fee simple estate as described in the Mortgage; or

leasehold estate as described in the Mortgage.

5. Borrower is and shall remain during the term of the Mortgage a single asset, sole

purpose entity.

6. The Note shall be amortized as provided therein and shall completely amortize over the term of the Mortgage.

7. Borrower shall not use the Development for any purpose other than the purpose intended on the date of the Mortgage.

8. Borrower shall insure the Mortgaged Property and the operation thereof as provided in the Mortgage. Lender thereunder shall be designated loss payee with respect to any hazard insurance under a standard mortgagee clause with respect thereto. In no event may such insurance coverage be less than that required by the provisions of mortgage insurance under Section 542(c) of the Housing and Community Development Act of 1992 and the regulations thereunder, including the provisions of 24 CFR § 266.410(g).

9. Borrower covenants and agrees that in the event that Borrower and Lender agree to any modification of the terms of the Mortgage or to the Loan which results in a reduction of payments due under the Note, the payments due under any Section 8 Housing Assistance Payments Contract in effect for the Development will be reduced pursuant to HUD guidelines then in effect.

10. The Regulatory Agreement executed by Borrower and Lender in connection with the Mortgage is hereby incorporated in the Mortgage by reference.

[The remainder of this page is intentionally blank. Signature page follows.]

[Bedford Village: Rider A to First Mortgage – Borrower Signature Page & Notary]

IN WITNESS WHEREOF, Borrower has caused this Mortgage Rider A to be executed by its duly authorized representative(s) as an instrument under seal as of the date set forth above.

BORROWER:
BEDFORD VILLAGE PRESERVATION ASSOCIATES
LIMITED PARTNERSHIP, a Massachusetts limited
partnership

By: POAH Bedford Village, LLC, its general partner

By: Preservation of Affordable Housing, Inc., its sole
member

By: *Aaron Gornstein*
Name: Aaron Gornstein
Title: President
and Chief Executive Officer

COMMONWEALTH OF MASSACHUSETTS

County of Suffolk, ss.

On this 21st day of May, 2018, before me, the undersigned notary public Aaron Gornstein personally appeared, proved to me through satisfactory evidence of identification, which was: [] at least one current document issued by a federal or state government agency bearing the photographic image of the signatory's face and signature, [] the oath or affirmation of a credible witness unaffected by the document or transaction who is personally known to me and who personally knows the signatory, or identification of the signatory based on my personal knowledge of the identity of the signatory, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose, as President for Preservation of Affordable Housing, Inc., an Illinois non-profit corporation, as manager for POAH Bedford Village, LLC, a limited liability company, as general partner for Bedford Village Preservation Associates Limited Partnership, a limited partnership, as the voluntary act of the partnership.



STEPHANIE KAY WOOD
Notary Public
Commonwealth of Massachusetts
My Commission Expires
June 19, 2020

Stephanie Kay Wood
Notary Public
My Commission Expires 6/19/2020