



03-17

MORTGAGE, SECURITY AGREEMENT AND CONDITIONAL ASSIGNMENT OF
LEASES AND RENTS

Property Address:

✓ 7 & 9 Oakland Street
Lexington, Massachusetts 02420

This Mortgage, Security Agreement and Conditional Assignment of Leases and Rents ("Mortgage") is made as of the 14 day of December, 2007, by **Supportive Living, Inc.**, a Massachusetts charitable corporation with a mailing address at 17 Warren Avenue, Woburn, Massachusetts 01801, as Borrower, in favor of **The Town of Lexington, Middlesex County**, acting by and through its Board of Selectmen, having its principal office at 1625 Massachusetts Avenue, Lexington, Massachusetts 02420 (the "Town") to secure funds from the Town's Community Preservation Act.

SECTION 1. DEFINITIONS

Affordable Housing Restriction. The Affordable Housing Restriction granted by Borrower in favor of the Participating Lenders setting forth certain restrictions on use of the Property.

Town: The Town of Lexington and any subsequent holder of this Mortgage.

Borrower: The Borrower named herein and its successors in title.

Event of Default: An Event of Default as defined in Section 7 below.

Loan: Collectively, the funds advanced to the Borrower from the Town's Community Preservation Act (CPA) Fund pursuant to the Grant Agreement.

Loan Amount: **\$300,000** payable to the Town of Lexington, Middlesex County, unless amended, modified, extended, renewed, or restated.

Grant Agreement: The agreement by and between the Town and Borrower setting forth the terms and conditions of the Loan.

Loan Documents: The Grant Agreement, this Mortgage, the Affordable Housing Restriction and all other documents executed by the Borrower in connection with the Loan, as the same may be amended, modified, extended, renewed or restated.

Other Lenders: The lenders set forth in Exhibit B hereto holding mortgages on the Property junior or senior to or *pari passu* with this Mortgage.

Participating Lenders: The following lenders, all of whose loans are secured by fee and leasehold mortgage on the Project: The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by its administrator

Bloomenthal & de Bastos LLC
935 Main Street
Waltham, MA 02451

Massachusetts Housing Finance Agency and the Community Economic Development Assistance Corporation.

Permitted Encumbrances: The mortgages, assignments of leases and rents and other recorded loan documents of the Other Lenders and all other liens and encumbrances set forth on Exhibit C.

Project: The Project as defined in the Grant Agreement.

Property: The mortgaged property as defined in Section 2 hereof.

Ground Lease: The Lease entered into by and between Land Owner, as landlord, and the Borrower as tenant, dated as of August 21, 2007, with respect to the Property, notice of which is to be recorded with the Middlesex South Registry of Deeds simultaneously herewith.

Senior Lender: An Other Lender who holds a mortgage senior to this Mortgage.

SECTION 2. GRANTING CLAUSE

The Borrower hereby irrevocably grants, mortgages, transfers and assigns to the Town, with MORTGAGE COVENANTS, all the following property:

The parcel or parcels of land together with any improvements now or hereafter situated thereon to the extent not conveyed by the Ground Lease or the deed of improvements recorded with the Middlesex South Registry of Deeds simultaneously herewith, all as described in Exhibit A attached hereto and incorporated herein; together with all buildings and structures and fixtures owned by the Borrower erected or placed on such parcel or parcels or now or hereafter attached to or used in connection therewith, including without limitation to the extent such constitute fixtures, all pipes, lines, conduits and other facilities for public or private utilities or services, all elevators, screens, doors, awnings, blinds, shades, gas and electric fixtures, all heating, lighting, refrigerating, plumbing, ventilating, air conditioning and sprinkling equipment and all other items of whatsoever kind and nature reasonably necessary to the continued use and operation of the Property; together with all personal property owned by the Borrower and located on the Property; together with the entire interest of the Borrower in and to all and singular the tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances to the Property, belonging or in any way appertaining thereto, and all right, title and interest of the Borrower in and to any streets, ways or alleys adjoining the Property or any part thereof; together with all proceeds paid for any damage to the Property or any part thereof, or for any portion thereof appropriated for any character of public or quasi-public use in accordance with the provisions, terms and conditions hereinafter set forth; together with all of the rents pursuant to the Ground Lease, issues, benefits and profits of the Property as provided herein and all of the records and books of account now or hereafter maintained by the Borrower in connection with the operation thereof.

SUBJECT, HOWEVER, to the Permitted Encumbrances.

This conveyance is made for the purpose of securing:

- (1) Performance of all obligations of the Borrower under the terms of the Grant Agreement, including payment of all amounts due pursuant thereto.
- (2) Performance of each and every obligation of the Borrower contained in this Mortgage and payment of all sums due hereunder.
- (3) Performance of the obligations of the Borrower under all other Loan Documents.

SECTION 3. COVENANTS AND WARRANTIES

The Borrower covenants, warrants and agrees as follows:

3.1 The Borrower has and will maintain good record and marketable title to the fee in the Property in fee simple, free and clear of all liens and encumbrances except for the Permitted Encumbrances, and has the right to encumber the Property with the lien created by this instrument, which lien is subject only to the Permitted Encumbrances. The Borrower will defend the title hereto in any action affecting the rights of the Town hereunder and pay all costs of any such action (including, but not limited to, attorneys' fees), whether or not such action (i) progresses to judgment, or (ii) is brought by or against the Town.

3.2 The Borrower and each endorser or guarantor of the Grant Agreement shall perform and observe all of the terms and conditions of the Loan Documents and the loan documents of the Other Lenders, including the obligation to make any payments as required therein.

3.3 The Borrower shall pay or cause to be paid prior to the time when interest or penalties would accrue thereon all taxes, water, sewer and other utility charges, and all other charges or assessments relating to the Property or the materials stored thereon or therein and other charges and encumbrances which are or may become a lien on the Property.

3.4 The Borrower shall keep the Property in good order, repair and condition, reasonable wear and tear thereof excepted, and will not permit, commit or suffer any waste, impairment, deterioration or environmental contamination of the Property or any part thereof.

3.5 The Borrower shall promptly repair, restore, rebuild, replace or alter as necessary any portion of the Property which may be damaged or destroyed by fire or other casualty, or taken by condemnation, as nearly as possible to the condition such improvements were in prior to such damage, destruction or taking, subject to the provisions of Sections 5 and 6

of this Mortgage. The Borrower shall give the Town notice of any damage to the Property within five (5) business days of any such occurrence.

3.6 The Borrower shall comply with and observe its obligations as landlord under leases affecting the Property or any part thereof. The Borrower hereby assigns to the Town as additional security, conditional upon default and subject to the Borrower's prior assignment to the Senior Lender, if any, any and all leases for housing units at the Property, whether now existing or hereafter created, including, without limitation, all rents, royalties, issues and profits of the Property from time to time accruing; and does agree that after an Event of Default and while such Event of Default continues, the Town may, subject to the rights of the Senior Lender, if any, modify and otherwise deal with all such leases or subleases with the same power and discretion which the Town would have if the Town were the owner of the Property free from any trust; and, after an Event of Default, the Town shall also have the power, subject to the rights of the Senior Lender, if any,, to make, execute and deliver new leases of all and any portion of the Property in the name of the Borrower, or in the name of any person or persons claiming under the Borrower on such terms and conditions as the Town may in its reasonable judgment deem proper.

3.7 The Borrower shall cause the Property to be used only for the Permitted Uses, as defined in the Affordable Housing Restriction.

3.8 The Borrower hereby assigns to the Town, subject to the rights of the Senior Lender, if any, all of the Borrower's right, title and interest in all contracts, licenses, permits and financing commitments acquired by the Borrower (the "Contracts") in connection with the completion of the Project. The Borrower hereby agrees to perform in a timely manner all its obligations under the Contracts and to permit no default on its part to exist thereunder. So long as no Event of Default shall exist, the Borrower shall have the rights as the holder thereof in and with respect to the Contracts as may be lawfully permitted. Immediately upon the occurrence of any Event of Default, the rights described in the preceding sentence shall cease, and in such event the Town is hereby expressly and irrevocably authorized, but not required, to exercise every right, option, power or authority inuring to the Borrower under any one or more of the Contracts as fully as the Borrower could itself. Further, and without limitation of the foregoing remedies, upon the occurrence of any such Event of Default, the Town shall have the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in Massachusetts, with respect to each and every Contract in which a security interest may be obtained.

3.9 With respect to the Ground Lease of the Property, the Borrower shall, within thirty (30) days of the written request of the Town made from time to time, deliver to the Town a lease estoppel, in form and substance satisfactory to the Town and executed by the tenant, setting forth the commencement and occupancy dates of such lease, and providing such information with respect thereto as the Town may require, including, without limitation, confirmation that the lease is in full force and effect without modification, that the tenant is in possession and paying full rent, that no rental payments have been made in advance, and that there is no default, and no condition which, with the giving of notice

and/or the passage of time could ripen into a default, by the Borrower or the tenant thereunder (or specifying such modifications of the foregoing as may be appropriate).

3.10 The Borrower shall, within thirty (30) days of the written request of the Town made from time to time, execute and deliver a written statement, in the form required by the Town, setting forth the amount of the indebtedness that Borrower acknowledges to be due on the Grant Agreement and under this Mortgage and the other Loan Documents, specifying any claims of offset or defense which the Borrower asserts against the indebtedness or other obligations secured hereby, and a description of relevant facts regarding the condition of the Property and such other matters as may be requested by the Town.

SECTION 4. INSURANCE

4.1 The Borrower will at all times (a) keep the Property insured, for the mutual benefit of the Borrower and the Town, as their respective interests may appear, in amounts not less than 100% of the full replacement cost of the Property (plus 12 months' rent loss coverage), against loss or damage by (i) fire, (ii) such other risks and hazards as now are or hereafter may be insured under standard "Extended Coverage" forms or endorsements, and (iii) such other risks of damage as the Town shall from time to time reasonably require; (b) maintain comprehensive general liability insurance against all claims for bodily injury, death or property damage occurring upon, in or about the Property, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or such higher limits as the Town may reasonably require and which specifically names the Borrower and the Town; (c) maintain or cause the Borrower's property manager to maintain worker's compensation coverage for all employees in statutorily mandated amounts and, if applicable, comprehensive automobile liability insurance, including hired vehicles, in an amount not less than \$1,000,000 combined single limit; and (d) with respect to any construction undertaken at the Property, obtain builder's risk insurance (100% completed value non-reporting form) in amounts reasonably satisfactory to the Town, but never at any time less than full replacement value of the construction.

4.2 All insurance shall be evidenced by valid and enforceable policies in form and substance, and issued by such insurers, as are reasonably approved by the Town. All policies of casualty insurance shall contain a standard non-contributory form of mortgage clause reasonably satisfactory to the Town, which clause shall name the Town as loss payee as its interest may appear and provide that such policies may not be canceled or amended without at least thirty (30) days' prior written notice to the Town. Upon the occurrence of an Event of Default, the Town may act either in its name or as attorney for the Borrower (for that purpose by these presents duly authorized and appointed with full power of substitution and revocation) in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts in payment of any loss.

SECTION 5. DAMAGE BY FIRE OR OTHER CASUALTY

If by reason of any damage or destruction to the Property, any sums are paid under any insurance policy mentioned in or contemplated by Section 4 hereof, such proceeds shall, subject to the rights of the Senior Lender, if any,, be paid to the Town alone, as its interest may appear, to be applied toward reimbursement of all costs and expenses of the Town in collecting such proceeds, and, at the option of the Town, either toward payment of the indebtedness secured hereby or any portion thereof, whether or not due and payable, or to the repair, restoration, rebuilding or replacement of that part of the Property so damaged or destroyed; provided, however, the Town shall consent to such application if all of the following conditions are met: (i) sufficient insurance proceeds are available or the Borrower deposits with the Town and/or with an Other Lender sufficient funds to pay the entire cost of repair, restoration, rebuilding or replacement; (ii) the Town approves in advance plans and schedule for such repair, restoration, rebuilding or replacement, such approval not to be unreasonably withheld; (iii) all Other Lenders have approved the plans for such repair, restoration, rebuilding or replacement; and (iv) the insurance proceeds, together with the Borrower's additional funds, if any, are held by the Town or an Other Lender and disbursed pursuant to customary construction disbursement procedures as work is completed.

SECTION 6. CONDEMNATION

The Borrower hereby assigns, transfers and sets over to the Town, subject to prior assignment to the Senior Lender, if any,, all rights of the Borrower to any award or payment in respect of (i) any taking of all or a portion of the Property as a result of, or by agreement in anticipation of, the exercise of the right of condemnation or eminent domain and (ii) any damage to the Property due to governmental action, but not resulting in a taking of any portion of the Property. The Borrower hereby agrees to file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to the Town, and hereby irrevocably authorizes and empowers the Town, if the Borrower does not so prosecute its claim, in the name of the Borrower or otherwise, to collect and receive any such award or payment and to file and prosecute such claims. All proceeds received by the Town with respect to such taking or damage shall be applied in the Town's discretion and in such order as the Town shall determine; provided, however, if the Senior Lender, if any, determines to apply available proceeds to reconstruction of the Property, the Town shall consent to such application.

SECTION 7. DEFAULT PROVISIONS

An "Event of Default" shall arise under this Mortgage upon the occurrence of any one or more of the following events:

7.1 Failure of the Borrower to pay any amount due under the Grant Agreement when due thereunder or failure of the Borrower to pay real estate taxes, utility charges or insurance

premiums as required by Section 3.3 and Section 4 hereof and the continuation of such failure for ten (10) days after the date such payment is due.

7.2 Failure of the Borrower to perform any of its obligations, covenants, or agreements contained in this Mortgage (other than as described in Section 7.1) and the continuance of such failure for thirty (30) days after written notice thereof from the Town to the Borrower; provided, however, that if the curing of such default cannot be accomplished with due diligence within the initial period of thirty (30) days, then Borrower shall have such additional reasonable period of time, not to exceed thirty (30) days, to cure such default as may be necessary provided the Borrower shall have commenced to cure such default within said thirty (30) day period, such cure shall have been diligently prosecuted by the Borrower thereafter to completion, and the Town does not reasonably deem this Mortgage jeopardized by such further delay.

7.3 The occurrence of an Event of Default as defined in any other Loan Document.

SECTION 8. RIGHTS AND REMEDIES OF THE MORTGAGEE

8.1 Upon the occurrence of any Event of Default hereunder, the Town, at its option, without presentment, demand, protest or notice of any kind, may declare the indebtedness evidenced by the Grant Agreement and secured by this Mortgage immediately due and payable.

8.2 Upon the occurrence of any Event of Default hereunder, the Town, at its option but without obligation to do so, without notice to or demand on the Borrower and without releasing the Borrower from any liability under the Loan Documents, may make any payment or perform any act which the Borrower is obligated to pay or do under the terms of this Mortgage past due, including the payment of any amount and performance of any defaulted obligation of the Borrower under the loan documents of the Senior Lender, if any. All amounts expended hereunder shall, without notice or demand, be immediately due and payable to the Town by the Borrower with interest thereon, to the extent permitted by law, at the rate of eighteen percent (18%) per annum, and shall be secured hereby.

8.3 Upon the occurrence of any Event of Default hereunder, the Town at its option, without notice, without any liability to the Town, and without regard to the adequacy of the security for the Loan, may, to the extent permitted by law:

8.3.1 Enter upon and take possession of the Property (with or without bringing any action or proceeding in court); or

8.3.2 Demand or receive payment of all rents, benefits and profits of the Property, including those past due and unpaid (whether or not the Town has taken possession of the Property); or

8.3.3 Have a receiver immediately appointed for the Property and the earnings, revenues, rents, issues, profits and other income thereof and therefrom, with all such powers as the court making such appointment shall confer.

8.4 If the Town enters upon and takes possession of the Property as provided in Section 8.3, the Town may operate and manage the Property and perform any acts which the Town, in its reasonable discretion, deems necessary or desirable to protect and preserve the rentability, increase the income, or conserve the value of the Property. The Town shall have no liability for any action or inaction while in possession of the Property so long as such action or inaction is taken or refrained from being taken in good faith and in the absence of gross negligence.

8.5 Upon the occurrence of any Event of Default hereunder:

8.5.1 The Town may, if and to the extent and in the manner permitted by law, itself, or by such Towns and attorneys as it may appoint, with or without entry or taking possession, sell the Property as an entirety or in such separate lots, units or parcels as the Town may determine, at public or private sale and, except as otherwise provided by law, at such place or places (whether or not the Borrower be present), at such time or times, upon such terms (including credit, whether secured or unsecured) and upon such notice (by publication or otherwise), if any, as the Town in its discretion may determine.

8.5.2 The Town is irrevocably appointed the Town and attorney-in-fact of the Borrower in its name and stead and on its behalf, for the purpose of effectuating any sale for the enforcement of this Mortgage, whether under the power of sale hereby given or pursuant to judicial proceedings or otherwise, to execute and deliver all such deeds, conveyances, bills of sale, assignments, transfers and other instruments as the Town may consider necessary or appropriate, and to substitute one or more persons with like power, the Borrower hereby ratifying and confirming all that the Town, or such substitute or substitutes, shall lawfully do by virtue thereof.

8.5.3 This Mortgage is upon the STATUTORY CONDITION and upon the occurrence of any Event of Default hereunder the Town shall have the STATUTORY POWER OF SALE.

8.6 No remedy herein conferred upon the Town shall be exclusive of any other remedy herein or by law provided or permitted, but such shall be cumulative and in addition to every other remedy given herein or now or hereafter existing at law.

SECTION 9. MISCELLANEOUS PROVISIONS

9.1 Without affecting the liability of the Borrower or any other person (except any person expressly released in writing) for the performance of any obligations set forth in the Loan Documents and without affecting the lien or other rights of the Town with respect to any property or other security not expressly released in writing, the Town at any time, and

from time to time, either before or after maturity of the Grant Agreement, and without notice or consent, may:

9.1.1 Make any agreement extending the time, or otherwise altering the terms of payment of the amounts due under the Grant Agreement, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien securing payment of the Grant Agreement;

9.1.2 Exercise or refrain from exercising, or waive any right the Town may have;

9.1.3 Accept additional security of any kind;

9.1.4 Release or otherwise deal with any property, real or personal, securing the Loan, including all or any part of the Property.

9.2 In the event the Borrower conveys its interest in the Property to parties not appearing in this instrument (without implying any right of the Borrower to do so without the Town's consent), the Town may, without notice to the Borrower, deal with such successor or successors in interest with reference to this Mortgage and the Grant Agreement secured hereby, either by way of forbearance on the part of the Borrower or extension of the time of payment of the debt or any sum hereby secured, without in any way modifying or affecting the conveyance under this Mortgage or the original liability of the Borrower or any other party on the Grant Agreement secured hereby, either in whole or in part. 9.3 In case any one or more of the provisions contained in this Mortgage shall for any reason

be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included.

9.4 All notices, requests, demands, consents or other communications given hereunder or in connection herewith shall be in writing and shall be deemed duly given if delivered by hand or by recognized overnight courier or if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed to the party to receive such notice at its address first set forth above.

Either party may, by notice given as aforesaid, change its address for all subsequent notices. Notices shall be deemed given upon receipt if hand delivered or, if mailed as aforesaid, three days after mailing or, if sent by overnight courier, on the day after delivered to such courier. The Town shall use reasonable efforts to send courtesy copies of all notices sent to the Borrower to the Borrower's investor at the address set forth below, provided that any failure to send such a courtesy copy shall not affect the validity of any notice: Countryside Corporate Limited Partnership, 555 Elm Street, Medfield, Massachusetts 02052.

9.5 In accordance with Section 9 509 of the Uniform Commercial Code as in effect in The Commonwealth of Massachusetts (the "U.C.C."), the Borrower hereby authorizes the Town to file any financing statements or amendments to such financing statements that

may be required pursuant to the U.C.C. for the Town to perfect its security interest in any of the Property. This Mortgage is to be recorded or filed with the registry of deeds or the registry district of the Land Court for the county in which the Property is located as a fixture filing pursuant to Section 9 502 of the U.C.C. and is intended to be a construction mortgage pursuant to Section 9-313 of the U.C.C.

9.6 This instrument shall inure to the benefit of and bind the successors and assigns of the parties hereto. This Mortgage may not be waived, changed or discharged orally, but only by an agreement in writing signed by the party against whom any waiver, change or discharge is sought.

9.7 It is understood and agreed that the validity, construction and interpretation of this Mortgage will be in accordance with the laws of The Commonwealth of Massachusetts.

9.8 This Mortgage is subject to the exculpation provisions set forth in the Grant Agreement.

9.9 This Mortgage and the other Loan Documents collectively constitute the entire and final agreement among the parties hereto and there are no other agreements, understandings, warranties or representations among the parties with respect to the subject matter hereof except as expressly set forth herein or therein.

[
SIGNATURES APPEAR ON FOLLOWING PAGE]

Witness our hands and seals as of the date first written above.

SUPPORTIVE LIVING, INC.

By Carrol E. Stephens
Carrol E. Stephens
Its: President

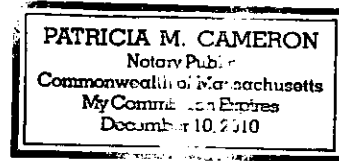
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF MIDDLESEX SS.,

DECEMBER 14, 2007

Then personally appeared before me, the undersigned notary public, the above-named Carrol E. Stephens, the President of Main Street Housing, Inc., proved to me through satisfactory evidence of identification, which was [a current driver's license] [~~a current U.S. passport~~] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of Supportive Living, Inc.

Patricia M. Cameron
Name: _____
Notary Public
My Commission Expires: 12/10/10



- Exhibit A: Property Description
- Exhibit B: Other Lenders
- Exhibit C: Permitted Encumbrances
- Exhibit D: HUD Rider

EXHIBIT A: PROPERTY DESCRIPTION

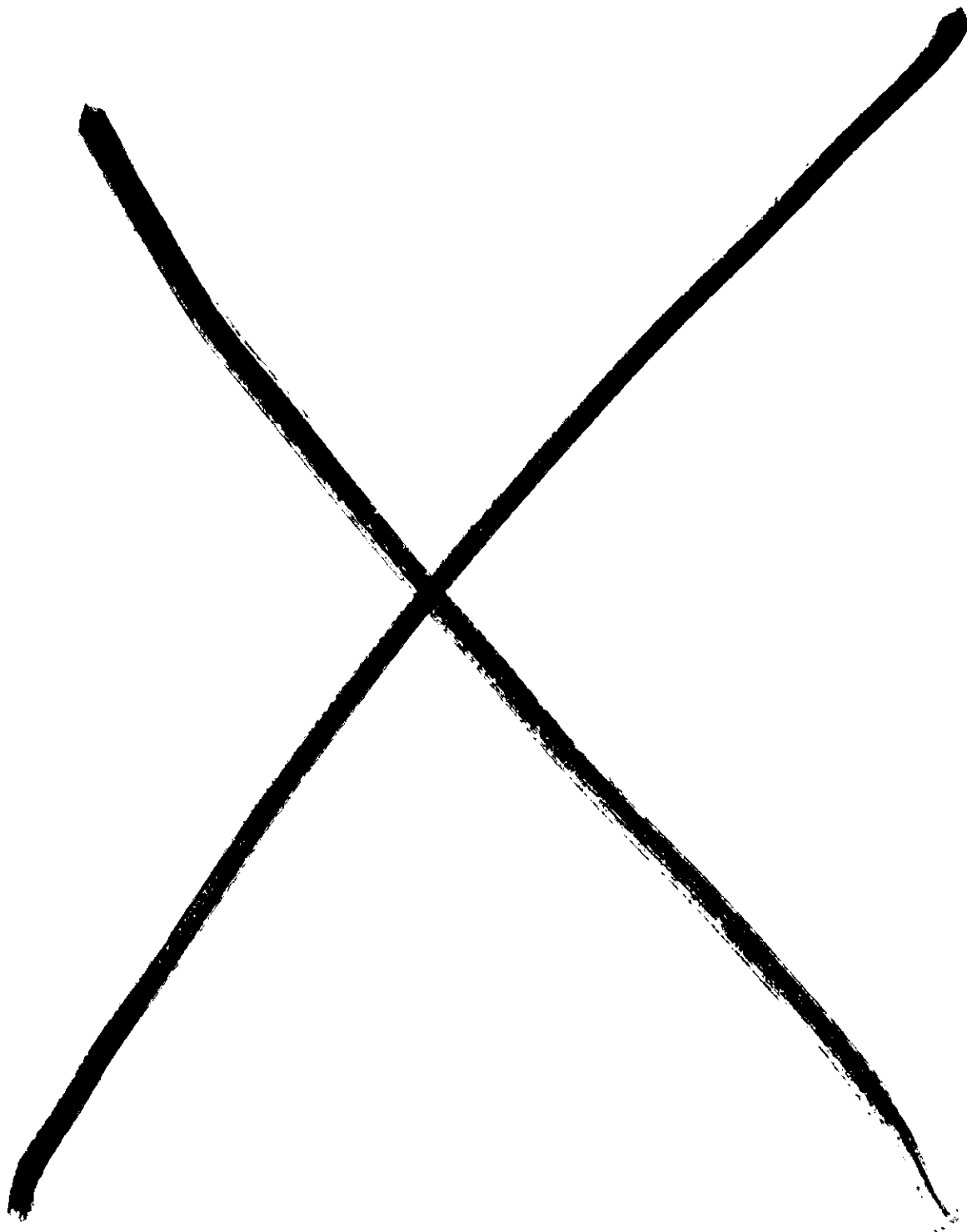


EXHIBIT A**LEGAL DESCRIPTION**

The land with the buildings thereon situated on the Westerly side of Oakland Street in said Lexington, Middlesex County, Massachusetts containing 35,372 square feet of land according to a plan entitled "Land at Lexington, Jan. 1926, F.P. Cutter, C.E." recorded with Middlesex South District Registry of Deeds, Book 7143 at Page 531. Said premises are bounded and described as follows:

EASTERLY	by Oakland Street two hundred seventy-six and 45/100 (276.45) feet;
SOUTHEASTERLY	by land now or formerly of the Bridge Trust one hundred seven and 42/100 (107.42) feet;
SOUTHWESTERLY	by land now or formerly of the Boston & Maine R.R. twenty-six and 42/100 (26.42) feet;
WESTERLY	by land now or formerly of the Boston & Maine R .R. two hundred ninety-eight and 9/10 (298.9) feet;
NORTHERLY	by land of owners unknown being the remaining portion of Lot 6 on plan hereinafter referred to, one hundred fourteen and 68/100 (114.68) feet.

Being Lots 7, 8, 9, and part of Lot 6 on plan entitled "Plan of House Lots in Lexington Center belonging to J.B. Winslow and J.M. Usher, Esqrs., October 1873, J O. Goodwin, Surveyor", recorded with said Deeds, Plan Book 26, Plan 15, Oakland Street being called Muzzey Street on said plan.

Being the same premises conveyed to Supportive Living, Inc., by deed of Robert F. Sacco and Judith L. Sacco dated May 7, 2004, and recorded with said Deeds in Book 42735, Page 192.

EXHIBIT B: OTHER LENDERS

LENDER; JUNIOR/SENIOR/PARI PASSU

Senior Fee: Brookline Bank \$600,000

Senior Fee: Brookline Bank/FHLB \$300,000

Subordinated to: United States Department of Housing and Urban Development (HUD)
mortgage loan for \$1,070,000 secured by the leasehold and the fee to the improvements

EXHIBIT C: PERMITTED ENCUMBRANCES

Mortgages securing the loans of the Other Lenders and the Permitted Lenders and exceptions listed in Commitment for Title Insurance File No. B04-127, dated September 15, 2007, issued by Fidelity Title Insurance Company of New York (the "Title Commitment");

HUD RIDER TO MASSDOCS MORTGAGE**SECTION 10.**

7 Oakland Street

Lexington, Massachusetts

The Mortgage, Security Agreement and Conditional Assignment of Leases and Rents to which this Rider is attached (this "Mortgage"), relating to that certain loan in the original principal amount of Three Hundred Thousand Dollars (**\$300,000**) (the "CPA Loan") from the Community Preservation Act ("CPA") Fund of Town of Lexington to Supportive Living, Inc. ("Borrower"), is subject and subordinate to the terms of the Capital Advance Program Mortgage Note in the original principal amount of One Million Seventy Thousand and No/100ths Dollars (**\$1,070,000**) (the "HUD Note") from Borrower to the United States Department of Housing and Urban Development ("HUD") dated on or about December 14, 2007; and to the lien of the Leasehold Mortgage, Deed of Trust, or Security Deed (the "HUD Mortgage") granted by Borrower to SLI Douglas House Limited Partnership ("Partnership"), and collaterally assigned to HUD by the Borrower, and to the Use Agreement and Regulatory Agreement by and between HUD, Borrower, and Partnership, all dated on or about December 14, 2007, which agreements are recorded with the Middlesex South Registry of Deeds in Book contemporaneously with this Mortgage and are referred to herein collectively as the "HUD Documents". Notwithstanding any provision to the contrary in this Mortgage, for so long as the HUD Mortgage remains unpaid and outstanding, the holder of this Mortgage, together with all assignees and/or successive holders of this Mortgage, agree that:

- (a) No interest or principal advanced pursuant to or due in accordance with the terms of the Grant Agreement between the Town and the Borrower in connection with the CPA Loan and evidenced or secured by this Mortgage shall be due or payable, except upon approval by HUD in advance;
- (b) The HUD Note, HUD Mortgage and other HUD Documents may be amended, extended, increased, renewed and/or refinanced without any consent from the holder of this Mortgage; the only obligation of HUD shall be to use all reasonable efforts to give the holder of this Mortgage (of whom HUD has duly received notice) written notice of such amendment, extension, increase, renewal or refinancing, as the case may be;
- (c) This Mortgage may not be declared in default and no foreclosure of this Mortgage may be commenced without the prior written approval of HUD;
- (d) No requirement of this Mortgage or any other loan document entered into in connection with this Mortgage or the CPA Loan will be permitted to interfere or conflict with HUD's requirements concerning the Project's development or operation, or the continuing operation of the Project on terms at least as favorable to existing and future tenants as are required under the HUD 811 program, as it may be modified from time to time including, but not limited to the Borrower's obligation to assure that at least two units in the Project shall be subject to a preference for residents of the Town of Lexington (the "Residency Preference"),

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which shall be administered in a manner consistent with the Tenant Selection Plan for the apartments approved by HUD and regulations governing the Section 811 Program.

- (e) If HUD approves a transfer of physical assets ("TPA"), approval of such TPA will not be withheld by the holder of this Mortgage, so long as the proposed transferee is a non-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended); and
- (f) In the event any first-priority mortgage loan made by HUD and secured by the Property remains outstanding at the maturity date of the CPA Loan (the "Maturity Date"), and provided that on the Maturity Date, the Property continues to satisfy all provisions relating to affordability, as set forth in the Affordable Housing Restriction dated of even date and recorded herewith, the Maturity Date shall be extended to a date that is thirty (30) days after the date upon which the HUD loan evidenced and secured by the HUD Documents shall have been repaid in full or forgiven and discharged; provided, however, that in no event shall the Maturity Date be extended beyond fifty (50) years from the date hereof without the written consent of the holder of this Mortgage.

Eugene C. P...
Attest *Middlesex J. ...*