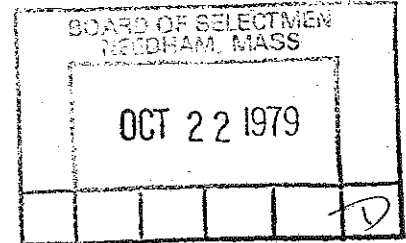


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NEEDHAM ASSESSOR'S OFFICE
TOWN HALL
NEEDHAM, MASSACHUSETTS 02192
444-5100

October 22, 1979

Board of Selectmen
Town Hall
Needham, Massachusetts



Attention: Stephen Daly, Executive Secretary

Subject: Crowninshield Corporation
d/b/a Stephen Palmer Associates
Payment in Lieu of Taxes

Gentlemen:

This letter will state the recommendation of the Board of Assessors in the matter of payment in lieu of taxes to the Town of Needham by Stephen Palmer Associates for the calendar year 1979 for use of the Stephen Palmer School property.

Our analysis of the so-called "Ground Lease" contract dated May 3, 1977, to which reference is hereby made, indicates the following basic facts pertinent to the issue:

1. Stephen Palmer Associates is to pay annually (in lieu of taxes) an amount equal to 18% of the effective gross rents received by them from the subject premises, as now converted to apartment use. This amount shall not in any event be less than \$15,000 per year.
2. The 18% of effective gross rent is to be reduced by an amount representing "credits", so-called, for certain utilities and other services provided to a 6,000 square foot basement area sub-leased to and used by the Town.
3. This payment in lieu of taxes shall commence on the first day of July following issuance of occupancy permits (July 1, 1978) and shall be made on May 1 and November 1 of each year.

The Assessors understand that it is their responsibility to calculate a fair bill for such payments when due and to recommend them to the Selectmen. We feel that this can best be done once a year after receipt of audited figures from Stephen Palmer Associates in March of each year, as called for in the lease contract. The bill for payments for that year can be rendered in two halves on May 1 and November 1 as above noted.

Board of Selectmen
(Continued)

2.

October 22, 1979

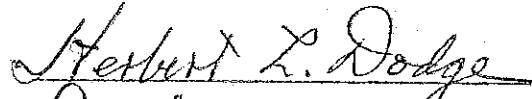
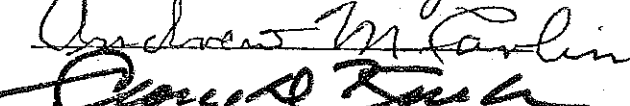
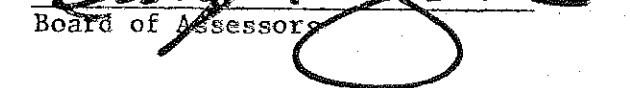
The Assessors' calculations for each successive year will be based on the prior (calendar) year's operating experience of Stephen Palmer Associates.

The allowance for "credits" above referred to will probably have to be estimated each year based on the Associate's prior year's operating experience.

For the calendar year 1979 the Assessors have concluded that no bona fide or valid prior year's operating experience was, in fact, available for their consideration since 1978 was a start-up year for the Associates. The premises were not fully occupied until the middle of the year, according to our best knowledge.

We therefore conclude that the fairest and most reasonable payment in lieu of taxes to be made by the Associates for calendar 1979, based on calendar year 1978 operating experience, and with due consideration to the status of the enterprise as of January 1, 1979, would be the minimum payment elsewhere cited, namely \$15,000.

Very truly yours,




Board of Assessors

m



TOWN OF NEEDHAM

MASSACHUSETTS

Office of
BOARD OF SELECTMEN

September 20, 1977

Stephen Palmer Associates
c/o Crowninshield Corporation
18 Crowninshield Street
Peabody, Mass. 01960

Gentlemen:

This will constitute an amendment to the so-called "Ground Lease" entered into between us as of May 3, 1977. Immediately after the second full paragraph of Section 11.04 of the said Ground Lease, the following paragraph is added:

"Anything to the contrary contained herein notwithstanding, all proceeds of said insurance (whether received by the Lessor and attributable to its re-visionary interest, or otherwise, or by the Lessee or by the Leasehold Mortgagee) shall be paid to the Leasehold Mortgagee to be held and disbursed by it to Lessee for the purpose of enabling Lessee to comply with its obligations set forth in Section 6.01 to repair, replace or rebuild. Any balance remaining shall be paid to Lessor and Lessee as their interests may appear."

Will you please acknowledge this amendment on a counterpart of this letter whereupon it will become effective as an amendment to the said Ground Lease as of the date first above written.

Very truly yours,

THE TOWN OF NEEDHAM

By BOARD OF SELECTMEN

Henry D. Hersey
Henry D. Hersey, Chairman

E. Loretta Reynolds
E. Loretta Reynolds

Francis A. Facchetti
Francis A. Facchetti

Stephen Palmer Associates
September 20, 1977

- 2 -

Richard M. Salamone
Richard M. Salamone

Benedict Horowitz
Benedict Horowitz

Approved as to form:

William A. Cross
William A. Cross, Town Counsel

Accepted and Agreed:

STEPHEN PALMER ASSOCIATES

By Crowninshield Corporation,
General Partner

By Lawrence B. Collier
Lawrence B. Collier, President

By Philip S. Singleton
Philip S. Singleton, Treasurer

By Anderson Notter Investment Associates,
General Partner

By J. Timothy Anderson
J. Timothy Anderson, General Partner

GROUND LEASE

LEASE dated as of May 3, 1977 between the TOWN OF NEEDHAM, acting by and through the Board of Selectmen ("Lessor"), and STEPHEN PALMER ASSOCIATES, a Massachusetts Limited Partnership, having its principal office c/o Crowninshield Corporation, 18 Crowninshield Street, Peabody, Massachusetts, the General partners of which are Crowninshield Corporation and Anderson Notter Investor Associates ("Lessee").

Certain terms used herein are defined in (Article 25) hereof.

ARTICLE I

CONDITIONS PRECEDENT

Section 1.01 Conditions Precedent to Obligations of Lessor and Lessee. The obligations of Lessor and Lessee are subject to the satisfaction of the following conditions:

1. Lessee and Lessor, acting jointly, shall have obtained the approval of the Board of Appeals or a vote of the Town of Needham legally permitting the Leased Property as hereinafter defined to be used for an apartment dwelling as herein contemplated, and any and all applicable appeal periods with respect to such approvals shall have passed without an appeal having been taken therefrom;

2. Lessee, acting jointly with Lessor, shall have obtained, from municipal and/or state authorities having jurisdiction, all necessary and appropriate permits and licenses for the use of the Leased Property for an apartment dwelling and for the remodeling and reconstruction of the existing building on the Leased Property suitable for such use together with the continuation of the curb cuts presently located on the Leased Property, and any and all applicable appeal periods with respect to the granting of any such permits or licenses shall have passed without an appeal having been taken therefrom or, if

any appeal has been taken therefrom, such appeal shall have been adjudicated in favor of Lessee.

3. Lessee will obtain a firm commitment for financing from recognized lending institution within thirty (30) days from the date hereof.

Upon request Lessor and Lessee shall provide, each to the other, immediately upon satisfaction of any said conditions, written evidence thereof.

All obligations of Lessor and Lessee are subject to the satisfaction of each of the above conditions, and in the event that each of said conditions shall not have been satisfied prior to thirty (30) days from date thereof, Lessor and Lessee each reserve the right to terminate this lease by written notice to the other of its intent to terminate this lease at the expiration of 30 days from the date of said notice unless the failure to satisfy the conditions is cured.

ARTICLE 2

LEASE OF PROPERTY, TERM OF LEASE

Section 2.01. Leasing Clause. Upon the conditions, limitations, covenants all agreement set forth below, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the land, exclusive of any Improvements,* described in Schedule A hereto attached (the "Leased Property"). Lessor has by instrument executed contemporaneously with this lease sold and transferred to Lessee all buildings, facilities, fixtures, equipment and other structures which now exist upon the Leased Property.

Lessee's interest in the Leased Property however, is subject to:
(a) liens, charges, encumbrances, covenants, conditions, restrictions, easements, reservations, rights, rights of way, and all other rights

*except any passageways, streets, curbs, sewers, surfacing, storm drains and sidewalks, ^{which} now or at any time hereafter exist upon the Leased Property

and interests of third persons, all of the preceding to be or record only; and (b) zoning and building restrictions and governmental regulation now or hereafter affecting the Leased Property (except for Lessor's obligations under Section 1.01);

For a term of fifty (50) years, commencing with the execution of this lease, unless this Lease shall sooner terminate as herein provided (the "Term"). Said Term is intended to fully comply with a vote of the Town of Needham dated November 12, 1975 as amended by vote of the Town of Needham on February 2, 1977, copies of which are attached hereto.

Section 2.02 Sublease to Lessor - Lessee agrees, as a condition of this Lease, to sublease to Lessor not less than 6000 square feet of space in the basement portion of the building ^{as remodeled and reconstructed} now on the Leased Property together with fifteen parking spaces. Such sublease shall be upon the terms and conditions as are set forth in the sublease recorded herewith. Lessor agrees any rent payable to Lessee by Lessor pursuant to the said sublease and the cost of any services provided to Lessor may be claimed as a credit or offset by Lessee against the Annual Rent payable by the Lessee hereunder.

Section 2.03 Leased Property and Improvements "As Is".

Lessee is fully familiar with the physical condition of the Leased Property and the Improvements and has leased the leased property (and purchased the improvements) after a full and complete examination thereof, and the present uses and non-uses thereof. Lessor has made no representations as to the condition of the Leased Property or the Improvements

*except any passageways, streets, curbs, sewers, surfacing, storm drains and sidewalks, ^{which} now or at any time hereafter exist upon the Leased Property

or the fitness or availability of the Leased Property and the Improvements for any particular use, and Lessor shall not be liable for any latent or patent defect therein. Lessor shall not be required to furnish any services or facilities or make any repairs or alterations in or to the Leased Property and/or Improvements throughout the Term, Lessee hereby assuming the full and sole responsibility for the condition, reconstruction, operation, repair, replacement, maintenance and management of the thire Leased Property and the Improvements.

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ARTICLE 3

RENT

Annual Rent

Section 3.01. Lessee agrees to pay Lessor, at the office of the Town Treasurer, Town Hall, Needham, Massachusetts, annual rent for each full calendar year of the Term in the amount of \$1,000.00. which amount shall be pro-rated according to the number of calendar months of the first and last year of the Term. Payment of the annual rent shall be made on the first day of January in each year. Such annual rent is subject to adjustment as provided in Article 5.

Section 3.02 Taxes. Commencing on the first day of July, following issuance of occupancy permits, for the Improvements, by the inspector of Buildings, Lessee shall pay to Lessor all Impositions. Payment shall be made on the first day of May and the first day of November. Impositions for the final year of the Term shall be pro-rated according to the number of calendar months, in the final year. If Lessee shall fail to pay any Imposition when due, Lessor

Default on Imposition on p. 48

shall have all the rights and remedies provided for herein or by law.

Section 3.03. Lease to be Deemed Net Lease. This Lease shall be deemed and construed to be a "net lease" and the Lessee shall pay to the Lessor, absolutely net throughout the Term, the Annual Rent, free of any impositions or deductions of any kind, and under no circumstances or conditions, whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall the Lessor be expected or required hereunder to make any payment of any kind whatsoever or be under any other obligations or liability except as herein otherwise expressly provided, the Lessee shall pay all costs, charges and expenses of every kind and nature whatsoever against or in connection with the Leased Property or the Improvements which may arise or become due during the Term, and which, except for the execution and delivery hereof, would or could have been payable by the Lessor including without limitation, the expense of removing, or surrendering possession of, any encroachment of structures on the Leased Property into or onto adjoining land and the payment of any such encroachment. No joint venture or partnership between Lessor and Lessee is intended hereby, and nothing herein contemplates that Lessor shall share in the control of the Leased Property and the Improvements during the

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Term (except for the approximately 6,000 square feet, the subject of the sublease to the Lessor). Lessor and Lessee also affirm that this lease does not constitute a mortgage or other financing transaction between them, and Lessee neither has nor shall acquire hereunder any legal or equitable interest in the Leased Property other than the leasehold interest expressly created hereby.

Section 3.04. No Right to Quit or Surrender. Except as otherwise provided in Article 7 hereof, Lessee shall make the Payments to Lessor during the Term without notice or demand and without abatement, deduction, counterclaim, setoff or defense. Lessee shall not be entitled to quit, terminate or surrender this lease, and shall not be relieved from its obligations to make the payments, or from any of its other obligations hereunder, by reason of: (a) any prevention or curtailment of or interference with any use of the Land or any part thereof for any purpose by any Legal Requirement (except as provided herein in respect of a Taking); (b) any damage to or destruction of any of the Improvements except as set forth in Articles 5, 6, 7; or (c) any other happening, event, occurrence or

situation during the Term, whether foreseen or unforeseen, and however extraordinary, including, but without limitation, inconvenience, discomfort or interruption or business arising from any cause.

ARTICLE 4

USE, CONSTRUCTION, REHABILITATION, ALTERATIONS AND REPAIRS

Section 4.01. Use of Leased Property and Improvements. Subject to the provisions hereof, the Leased Property and Improvements shall be used only for the operation of an apartment dwelling, (except for the approximately 6,000 square feet, the subject of sublease to Lessor), all as authorized, as hereinbefore set forth, by vote of the Town dated November 12, 1975, as amended by vote of the Town dated February 2, 1977.

Section 4.02. Reconstruction of Existing Building. Lessee's proposal for the reconstruction of the existing building to provide 28 units of housing and to provide landscaping, parking areas and other Improvements, together with appurtenant drainage and sewage systems and other utilities serving the same, and Lessee's proposed floor plan of the building, outline specifications showing the type of construction and exterior materials, and a site plan showing the location of the building, areas of landscaping, driveways and parking shall be presented to Lessor, and, subject to Lessor's approval thereof, not to be unreasonably withheld, Lessee shall within a reasonable time commence and fully complete the reconstruction of the existing building and other Improvements.

Section 4.03 Title to Improvements Until the expiration or sooner termination of this Lease, at which time title to the Improvements shall revert to the Lessor subject, however, only in the event of termination sooner than expiration, to the rights of the Leasehold Mortgagee to obtain new lease as set forth herein, title to any Improvements on the Leased property shall remain solely in the Lessee; and Lessee alone shall be entitled to deduct all depreciation on Lessee's income tax returns for any such Improvements.

Section 4.04. Additions, Changes and Alterations. Subject to the requirements of this article, Lessee shall have the right at any time and from time to time during the Term to make, at its sole cost and expense, additions changes and alterations in or to the buildings and other Improvements provided, however, that the premises subleased to the Lessor not be impaired. All construction, changes, alterations or reconstruction undertaken on the Improvements shall be done in a good workmanlike manner, using only new, or, if an historic or other period-type of facade shall be used, properly reconditioned material.

Section 4.05. Repairs. Lessee at its expense will use its best efforts to keep the Leased Property and the Improvements, (including the approximately 6,000 square feet, the subject of the sublease to Lessor), including landscaping and planting, and the sidewalks and curbs adjacent to the Leased Property in good condition, reasonable wear and tear excepted, and in a safe, sanitary, neat, orderly, and attractive condition, free of refuse and litter at all times, and will make all necessary or appropriate repairs, replacement, renewals and betterments thereof, whether ordinary, or extraordinary, foreseen or unforeseen.

Section 4.06. Payment and Performance Bonds and Deposits. In connection with reconstruction, structural change or alteration required by Section 4.02 and Section 4.03 of or to the existing building and/or other Improvements, Lessee shall, at Lessee's expense, furnish performance and payment bonds in an amount equal to one hundred percent (100%) of the estimated cost of construction and in form and substance satisfactory to Lessor.

issued by a reputable insurance company qualified to do business in Massachusetts and a duplicate executed original of the construction contract for such work.

The cost of any subsequent structural change, alteration, demolition or reconstruction shall be paid in cash or its equivalent, so that the Leased Property and the Improvements shall at all times be free of liens of contractors and/or subcontractors and liens for labor and materials.

Section 4.07. Remedies of Lessor. In the event that any construction, addition, change, alteration or reconstruction shall not be dully completed in a reasonable time, or shall have been abandoned (for the purpose hereof work shall be deemed to have been abandoned if, following commencement, there is a cessation of work not due to unavoidable delays, for a period of ninety (90) days), then either of such events shall constitute an Event of Default hereunder. In addition to all other remedies provided for herein, Lessor may, at its option, complete any such construction, structural change, alteration, demolition or reconstruction, which, if Lessor exercises its option, shall be completed using Lessee's plans and specifications therefor.

As used herein the term "fully completed" shall be deemed to mean and to have occured when:

(1) Lessee's architect or engineer (who must be licensed) shall have delivered to Lessor his written report after inspection that all work has been completed in accordance with the plans submitted to Lessor;

(2) a permanent Certificate of Occupancy for all dwellings units shall have been issued by the Inspector of Buildings of the Town as

set forth in Section 4.08;

(3) with respect to the initial reconstruction pursuant to Section 4.02 and subsequent additions, changes and alterations pursuant to Section 4.04, Lessee shall have delivered to Lessor the certified statement of an appropriate officer setting forth the actual cost thereof.

Section 4.08. Permits and Legal Requirements. No construction, addition, change, alteration, demolition or reconstruction shall be undertaken or made until Lessee shall have procured and paid for, so far as the same may be required by law from time to time, all permits, authorizations, reports and other necessary action of all municipal agencies and departments of governmental agencies and subdivisions having jurisdiction. Lessor shall cooperate with Lessee and shall join, but without expense, in the application for all such permits or authorizations to secure the prompt and expeditious issuance thereof.

Such construction shall be carried forward in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, and in accordance with Insurance Requirements.

Section 4.09. No Reduction in Taxes or Rent. In no event shall Lessee, by reason of any matter or provision contained in this article, be entitled to any abatement, allowance, reduction or suspension of any taxes and rents of Additional Payments under Section 3.01 and/or Section 3.02 reserved or required to be paid; nor shall Lessee, except to the extent otherwise provided in Section 2.01, be released of or from any other obligation imposed upon Lessee hereunder.

Section 4.10. Compliance with Legal and Insurance Requirement. Subject to Article 10 relating to contests, Lessee, at its expense, will promptly comply with all Legal Requirements and all Insurance Requirements and will procure and maintain all permits, licenses and other authorizations

required for any use of the Leased Property and the Improvements, or any part thereof, then being made, and for the lawful and proper installation, operation and maintenance of all equipment and maintenance of the Leased Property and/or Improvements.

Section 4.11. Disclaimer or Liability for Damage to Property or Person. Lessor shall not be responsible or liable for any damage or injury to any property, or to any person or persons at any time on the Leased Property and/or Improvements from any cause whatsoever, including without limitation from steam, gas or electricity or from water, rain, snow, ice, or from earthquake, earth slide, or other earth movement; nor shall Lessor be in any way responsible or liable for any accident or injury, including death, to any of Lessee's servants, employees, agents, or to any servants, employees or agent or sub-lessees on the Leased Property and/or Improvements, or to any person or persons in or about the Leased Property and/or Improvements or the street or sidewalks adjacent thereto; and Lessee agrees that it will not hold Lessor in any way responsible or liable for any of the foregoing, excepting only damage or injury caused by the negligent act or omission of Lessor, its agents, servants or employees. Lessor shall not be liable for interference with light or incorporeal hereditaments by anybody or caused by the operation by or for any governmental authority in the construction of any public or quasi-public work, and Lessor shall not be liable for any latent or any other defects in any of the Improvements.

Section 4.12. Mechanic's Liens. Lessee shall obtain a Mechanics Lien Bond covering the initial reconstruction contract. After completion of such initial reconstruction, whenever any additional work shall be undertaken on the Leased Property the estimated cost of which shall be in excess of \$5,000. on account of which a mechanic's lien or lien for materials or labor could attach to or affect the reversionary or other

estate, right or interest of Lessor in and to the Leased Property and/or the Improvements, Lessee shall, before such work is undertaken, give not less than seven (7) days notice thereof to Lessor. Lessor shall not be liable for any labor or materials furnished or to be furnished to Lessee upon credit, and no mechanic's or other lien for any such labor or materials shall attach to or affect the reversionary or other estate, right or interest of Lessor in and to the Leased Property and/or the Improvements. Whenever and as often as any such lien shall have been filed against the Leased Property and/or Improvements, whether or not based upon any action or interest of Lessee, or of anyone claiming through Lessee, or if any conditional bill of sale, chattel mortgage, financing statement or security agreement shall have been filed for or affecting any materials, machinery or fixtures used in the construction, repair or operation thereof, or annexed thereto by Lessee, Lessee shall forthwith notify Lessor of the same, and upon consent of Lessor shall forthwith take such action by bond, deposit or payment as will remove or satisfy the lien, conditional bill of sale, chattel mortgage, security agreement or financing statement. In the event of Lessee's default under the foregoing provisions, Lessor may, in addition to Lessor's other remedies, take such action by bond to discharge such mechanic's lien, conditional bill of sale, chattel mortgage, security agreement or financing statement, and the amount of the premium on any such bond, with interest thereon at the rate of 12% per annum from the date of such premium payment, shall be deemed an Additional Rent reserved under this Lease, and at the option of Lessor shall be payable with the next installment of Annual Rent.

However, the foregoing shall not impair the right of Lessee to contest in good faith, pursuant to Article 8 hereof, the validity of any such mechanic's lien, conditional bill of sale, chattel mortgage, security agreement or financing

statement by appropriate proceedings which shall prevent the sale of the Leased Property and/or the Improvements or any part thereof or the re-possession of personal property, pursuant to such mechanic's lien or conditional bill of sale.

Section 4.13. No Consent by Lessor to Performance of Work on the Leased Property. Nothing contained in this Lease shall constitute the consent or request of Lessor, express or implied, for the performance of any labor or the furnishing of any materials or other property in respect of the Leased Property and/or Improvements or any part thereof, nor as giving Lessee any authority to contract for or permit the rendering of any services or the furnishing of any materials or other property so as to permit the making of any claim against Lessor. It is not the intent of Lessor that the Leased Property shall be improved while subject to this Lease except in accordance with the terms of this Lease

ARTICLE 5

TAKINGS

Section 5.01. Total Taking. If during the Term, there shall occur Total Taking, this Lease shall terminate, and the improvements shall revert to the Lessor, as of the date upon which actual possession of the land is taken.

The aggregate net award, after deducting attorney's fees and other expenses and costs of Lessor and Lessee which may be incurred in connection with obtaining the same, shall be paid to and allocated as follows:

First The Leasehold Mortgagee shall first receive and be paid the principal balance and interest and other charges, if any, then secured by such mortgage, including all amounts accelerated by reason of the Taking.

Second: The Lessee shall next receive an amount equal to the then unamortized cost of construction of the building and other Improvements.

Lessee's construction cost shall, for the purposes of this section, be the aggregate of those contained in the certified statement or statements delivered pursuant to Section 4.07 (3) and shall be amortized on the straight line basis over twenty years.

Third: Any remaining balance of the award shall be paid to Lessor.

Section 5.02. Partial Taking. If during the Term there shall be a Partial Taking of the Leased Property, this Lease shall terminate as to any portion of the Leased Property so taken upon the date upon which actual possession of said portion is taken, but this Lease shall remain in full force and effect as to the remainder of the Leased Property, and thereupon a fair portion of the Basic Payments in relation to the Taking shall be abated, provided, however, that if the Leased Property is rendered by such Partial Taking substantially unsuitable for the uses permitted hereunder, this Lease shall terminate and, in the event that Lessor and Lessee are unable to agree whether the Leased Property shall have been rendered substantially unsuitable, such dispute shall be determined by arbitration in the manner provided in Article 19.

In the event of a Partial Taking which does not result in the termination of this Lease, Lessee, except during the last ten years of the Term, shall at its expense promptly effect such restoration of Improvements as may be necessary or appropriate to restore to residential utility, or remove so much of said Improvements as remain, to the end that the Leased Property shall conform with all governmental regulations and not constitute a nuisance or hazard.

The aggregate net award, after deducting attorney's fees and other expenses and costs of Lessee and Lessor which may be incurred in connection with obtaining the same, shall be paid to and allocated as follows:

First: The Leasehold Mortgagee to the extent the mortgage requires such payment, shall first receive and be paid the principal balance and

interest, and other charges, if any, then secured by such mortgage, including all amounts accelerated by reason of the Taking.

Second: Lessee shall next receive amounts equal to those expended by it or for its account in restoring the balance of the Leased Property to residential utility and expended in any necessary demolition.

Third: Any remaining balance of the award shall be paid to Lessor.

Section 5.03. Temporary Takings. In the event of a Temporary Taking, there shall be no termination, cancellation or modification of this lease. Unless this Lease is terminated as hereinafter provided, Lessee shall be entitled to receive for itself any award made for such use, except that, if the Taking is for a period extending beyond the then remaining balance of the Term, such award shall be apportioned between Lessor and Lessee as of the expiration of the Term; provided, however, that if by reason of such Temporary Taking the Lessee is prevented for a substantial period of time from operating the Leased Property and Improvements as an apartment dwelling, this Lease shall terminate, and, in the event that Lessor and Lessee are unable to agree whether Lessee has been prevented for a substantial period of time from operating a business permitted hereunder, such dispute shall be determined by arbitration in the manner provided in Article 19.

Section 5.04. General. In the event of a dispute between Lessor and Lessee as to the feasibility of restoration of Improvements or the use of the Leased Property or as to the appropriate allocation of awards or otherwise as to the appropriate application of this Article 5, and the inability of the parties to agree within thirty (30) days after the earlier of (i) the date of taking possession by the condemning authority, or (ii) the date of entry of the judgement or decree of such Taking, such dispute shall be determined by arbitration in the manner provided in Article 19.

Lessor and Lessee shall cooperate in prosecuting and collecting their

respective claims for an award on account of any Taking. All damages or awards, with any interest thereon, paid to Lessor or Lessee by reason of any Taking shall be treated as a common fund and allocated in accordance with this article.

Section 5.05. Takings if Any Event of Default Exists. Anything herein to the contrary notwithstanding, if at the time of any Taking or at any time thereafter, an Event of Default shall exist hereunder and such shall continue, Lessor shall be empowered in the name of Lessee or otherwise to file and prosecute Lessee's claim, if any, for an award on account of the Taking and to collect such award and apply the same, after deducting all costs, fees and expenses of Lessor incident to the collection thereof, to the curing of all defaults hereunder. In the case of a Total Taking, any balance remaining after such application shall be disposed of in accordance with Section 5.01, provided that any amount applied by Lessor to the curing of defaults hereunder shall be deducted from that portion of the award otherwise payable to Lessee under the section entitled "Second" of Section 5.01. In the case of a partial taking, any balance remaining after such application may be used to effect the restoration of the Improvements remaining to residential utility or to demolish the remaining improvements and the remaining balance shall be disposed of in accordance with Sub-sections, First, Second and Third of Section 5.02.

ARTICLE 6

DESTRUCTION OR DAMAGE BY FIRE

Section 6.01 General. In the event that at any time during the Term, except as otherwise provided in Section 6.02, the Improvements shall be destroyed or damaged in whole or in part by fire or other cause, then Lessee, at its own cost and expense, shall, whether or not the insurance proceeds, if any, shall be sufficient for the purpose, cause the same to be promptly repaired, replaced, or rebuilt as nearly as possible to their

value, condition and character immediately prior to such damage or destruction, with such alterations and additions as Lessee may elect pursuant to Article 4, within a period of time which, under all prevailing circumstances, shall be reasonable.

Section 6.02. Destruction During Last Ten Years of Term. If such

damage or destruction shall occur during the last ten years of the Term, Lessee may elect not to repair, replace or rebuild the Improvements, with an allocation of insurance proceeds as in Section 11.04 provided, and to terminate this lease by giving written notice of termination to Lessor within two (2) months after the occurrence of such damage or destruction, and upon the giving of such notice of termination the Term shall expire on the last day of the month in which such notice shall be given, with the same force and effect as if said day had been originally fixed herein as the expiration date of the Term, and neither party shall have any further rights or liabilities hereunder. In such event, Lessee shall, at Lessor's option, remove or raze the Improvements to ground level and remove all rubble from the Leased Property.

ARTICLE 7

LEASEHOLD MORTGAGES

Section 7.01 General Lessee shall have the right to execute and deliver Leasehold Mortgages.

No Leasehold Mortgage shall be binding upon the Lessor in the enforcement of its rights and remedies herein and by law provided, unless and until an executed counterpart thereof or copy thereof certified or attested by the appropriate recording officer shall have been delivered to the Lessor, notwithstanding any other form of notice, actual or constructive.

No Leasehold Mortgage shall be deemed an assignment of this Lease so as to require, in order to be effective, the assumption of the obligations on the assignor's part to be performed under this Lease.

No Leasehold Mortgagee shall be bound to perform the Lessee's covenants hereunder until it has either (a) completed foreclosure on the Lessee's interests hereunder or taken a complete assignment in lieu of foreclosure, or (b) made entry for the purpose of such foreclosure or of collecting rents from subtenants.

Section 7.02 Rights of Leasehold Mortgages If the holder of any Leasehold Mortgage shall send to Lessor a certified or attested copy thereof, together with written notice specifying the name and address of the Leasehold Mortgagee (which address may be changed from time to time in accordance with Section 20.01 of this Lease), Lessor agrees that after receipt of such notice so long as any Leasehold Mortgage shall remain unsatisfied of record or until written notice of satisfaction is given by the Leasehold Mortgagee to Lessee, the following provisions shall apply:

(a) There shall be no cancellation, surrender or modification of this Lease by joint action of Lessor and Lessee without the prior consent in writing of the Leasehold Mortgagee.

(b) Lessor shall, upon mailing or giving to Lessee any notice of default simultaneously mail a copy of such notice to the Leasehold Mortgagee.

(c) Lessor will not terminate this Lease for any reason without giving to the Leasehold Mortgagee, thirty (30) days prior notice of intention to terminate stating the basis for such termination nor will Lessor thereafter so terminate under the following circumstances:

(i) if the default described in such notice shall be cured by the Leasehold Mortgagee within thirty (30) days after such notice, or

(ii) if the default is of such a nature that it can be cured only in a longer space of time than thirty (30) days and if the Leasehold Mortgagee forthwith commences to cure the same within thirty (30) days after such notice and proceeds diligently to cure the same and completes such cure, or

(iii) if any such default or breach is of Section 21.01, subsections (c) or (d) or of such nature that it cannot be cured without possession, or if the default is of such a nature that it cannot be cured, if the Leasehold Mortgagee shall within thirty (30) days after such notice commence and thereafter diligently pursue to completion proceedings for foreclosure and sale under and pursuant to the Leasehold Mortgage; and

(iv) if all of the Lessee's obligations hereunder which can be kept without possession of the Leased Property are so kept until such time as such foreclosure proceedings shall be completed or until the Lessee shall assign the leasehold to such Leasehold Mortgagee in lieu of such foreclosure.

If a Leasehold Mortgagee shall fail or refuse to comply with any of the requirements of this subsection, then and thereupon Lessor shall be released from the covenant of forbearance contained herein and Lessor shall be entitled to proceed to terminate this Lease. The covenant shall not affect Lessor's right to exercise any other remedies of the Lessor. The foregoing shall not preclude Lessor from terminating the Lease following completion of any foreclosure proceeding of any Leasehold Mortgage or assignment in lieu thereof: (I) if promptly thereafter any default hereunder which can be cured is not cured, or (II) if the Lessee's default is of such a nature that such Leasehold Mortgagee cannot cure the same and of such a nature that such Lease is otherwise terminable therefor.

(d) Lessor agrees that in the event of termination of this Lease by reason of any default by Lessee of such a nature that the Leasehold Mortgagee could not under the foregoing circumstances cure the same, Lessor shall enter into a new lease of the Leased Property with the Leasehold Mortgagee, or its nominee, ^(provided nominee is subject to reasonable approval of Lessor) for the remainder of the Term, effective as of the date of such termination, at the same Annual rent, and Additional Rent and upon the terms, provisions, covenants and agreements herein contained and subject to the same conditions of title as this Lease is subject to on the date of the execution hereof, and to the rights, if any, of any parties then in possession of any part of the Leased Property, and to changes in title not made or suffered by Lessor, provided:

(i) Said Leasehold Mortgagee or its nominee shall make written request upon Lessor for such new lease within thirty (30) days after notice of such termination and such written request shall be accompanied by payment to Lessor of sums then due to Lessor under this Lease.

(ii) Said Leasehold Mortgagee or its nominee shall pay to Lessor at the time of the execution and delivery of said new lease, any and all sums which would at the time of the execution and delivery thereof be due pursuant to this Lease but for such termination, and in addition thereto, any expenses including reasonable attorneys' fees, to which Lessor shall have been subjected by reason of such default.

(iii) Said Leasehold Mortgagee or its nominee to the extent that the same is reasonably possible shall perform and observe all covenants and conditions therein or Lessee's part to be performed and observed.

(iv) Upon execution and delivery of such new lease, and sublease which may have theretofore been assigned and transferred by Lessee to Lessor, as security under this Lease, shall thereupon be deemed to be held by Lessor as security for the performance of all of the obligations of the Lessee under the new lease.

(v) The new lessee under such new lease shall have the same right, title and interest in and to the Improvements of the Leased Property as Lessee had under the terminated Lease.

(e) Nothing herein contained shall require the Leasehold Mortgagee or its nominee to cure any default of Lessee referred to in Subsections (c) or (d), or (e) of Section 21.01 hereof.

(f) Any Leasehold Mortgagee shall be given notice of any arbitration proceedings by the parties hereto, and shall have the right to intervene therein and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention. In the event that such Leasehold Mortgagee shall not elect to intervene or become a party to such proceedings the Leasehold Mortgagee shall receive notice of, and a copy of any award or decision made in said arbitration proceedings.

(g) Lessor shall, upon request, execute, acknowledge and deliver to the Leasehold Mortgagee an agreement prepared at the sole cost and expense of Lessee, in form satisfactory to such Leasehold Mortgagee, between Lessor, Lessee and Leasehold Mortgagee, agreeing to all of the provisions of this Section 7.02.

(h) Any Leasehold Mortgagee shall have the exclusive right to exercise all Lessee's options, if any, under this Lease.

(i) Lessee shall give any Leasehold Mortgagee prompt notice of any termination of this Lease.

(j) If there shall be a Total, Partial or Temporary Taking, or if there shall be damage to or destruction of the Improvements and there shall be an award made by the taking authority or insurance proceeds made available, the recipient or recipients of such award or proceeds shall forthwith pay the same to the Leasehold Mortgagee which shall hold the same in trust to be paid and allocated as prescribed by this Lease in Article V and Article XI respectively.

ARTICLE 8

ASSIGNMENT AND SUBLEASING BY LESSEE

Section 8.01 Assignments of Lessee Interests. Except as hereinafter expressly provided, the interest of Lessee hereunder and under the instrument of sale of the Improvements may not be assigned, by operation of law or otherwise, without prior written consent of Lessor. Any purported assignment in violation hereof shall be invalid and without effect as against Lessor. Lessor's consent to any assignment hereunder shall not constitute a consent to any other assignment or a waiver of this provision. Such approval shall be deemed given if Lessor has not disapproved within fifteen (15) business days after receipt of written notice from Lessee of the proposed assignment.

Notwithstanding the foregoing, the interest of Lessee hereunder may be assigned without the prior written consent of Lessor to any purchaser of such interest at a sale upon foreclosure of, or sale under power of sale of any mortgage.

No consent by Lessor to an assignment of this lease or any interest therein and no assignment made as herein permitted shall be effective until there shall have been delivered to Lessor an agreement, or a duplicate original of such assignment containing an agreement, in recordable form, executed by the assignor and the proposed assignee, wherein and whereby such assignee assumes due performance of the obligations on the assignor's part to be performed hereunder during the Term.

Upon the delivery of such an instrument of assumption and, where applicable, upon the prior consent of Lessor to the assignment, the assignor shall be free and discharged from all obligations hereunder occurring after the delivery of such an agreement of assumption.

Section 8.02 Subleases. The use of the Leased Property and the Improvements as set forth in Section 4.01 hereof contemplates the sub-

leasing of 28 dwelling units to be constructed at rentals in accordance with the Rent Schedule, and the Annual Rent Review Procedure as Exhibit C and D respectively attached hereto. Lessee, with the prior review of the Tenant Selection Committee (the "Committee"), may enter into said subleases in accordance with the following guidelines and standards of eligibility:

In selecting tenants for the apartments, preference shall be given, by the process outlined in this section, to Needham residents over 55 years of age.

In order to implement the preference that is to be given to Needham residents over 55 years of age, Lessor shall establish a Tenant Selection Committee to cooperate with Lessee in the selection of the tenants. If at the time designated for the beginning of the selection process, there are more applications from Needham residents over 55 years of age than there are apartments, then the Committee shall decide which applications to accept. However, the Committee shall not choose for acceptance any applicant whom Lessee has designated as so financially unsound as to be likely to default on the payment of rent. The determination of Lessee as to financial soundness shall be final.

If, at the time designated for the beginning of the tenant selection process, there are fewer applications from Needham residents over 55 years of age whose financial situation satisfies Lessee than there are apartments then a 30-day period of advertising to solicit such applications shall follow. [If, at the end of this period there is a surplus of applications from Needham residents over 55 years of age whose financial situation satisfies Lessee, the Committee shall decide which applications to accept.] If at the end of this period there still are not enough acceptable applications, then there will follow a 30-day period of advertising for appli-

cations from Needham residents generally, with no age limitation. If at the end of this period there is a surplus of applications from Needham residents whose financial situation satisfies Lessee, then the Committee shall choose which applications to select. If at the end of this period there have not been enough financially acceptable applications from Needham residents, applications will then be solicited from all sources, including non-Needham residents.

Effective as of the date of the happening of an Event of Default, (as defined in Article 26 hereof) Lessee hereby assigns to Lessor all of its rights, title and interest in and to all present and future subleases and all rents due and to become due thereunder provided that this assignment to Lessor shall be subordinate to any assignment by Lessee of its right, title and interest in and to all present and future subleases and all rent due, or to become due, thereunder to any Leasehold Mortgagee whether such assignment is made prior or subsequent to this assignment to Lessor. After the effective date of such assignment, Lessee hereby authorizes Lessor, in the name of Lessee, or otherwise, as Lessor may elect, to take all necessary steps and legal proceedings (whether by summary proceedings, ejectment, or other legal or equitable suit or proceeding) to enforce the performance of the terms, covenants and conditions of such sublessees, or to restrain their breach, or in the event of a breach, to secure the removal of any such sublessees from the premises demised to such sublessees; and for any such purpose Lessee hereby consents to the use of its name by Lessor. Lessor shall apply any net amount collected by it from sublessees toward the maintenance and operation of the Leased Property and the Improvements, the performance of Lessee's covenants hereunder, and the payment to Lessor of any and all sums that may then be or thereafter become due under any of the provisions hereof. No collection of rent by Lessor from any sublessee shall constitute a waiver of any of the provisions of this Section 8.02 or an

performance by Lessee of its obligations hereunder. In the event of the failure of any sublessee to pay rent to Lessor pursuant to the foregoing assignment after the happening of an Event of Default, any such rent thereafter collected by Lessee shall be deemed to constitute a trust fund for the benefit of Lessor.

Except as hereinbefore provided, Lessee assumes and shall be responsible for and liable to Lessor for all acts and omissions on the part of any present or future sublessee, and any violation of any of the terms, provisions or conditions of this Lease, whether by act or omission, by any sublessee, shall constitute a violation by Lessee.

ARTICLE 9

CONTESTS

Section 9.01 Contests. After written notice to Lessor, Lessee may contest, by appropriate legal proceedings, conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any taxes or Annual Rent or any Additional Rent, Legal Requirement, lien, encumbrance, charge or any other adverse claim provided that:

(a) in the case of any unpaid Annual Rent, Taxes or Additional Rent shall operate to suspend the collection thereof from Lessee.

(b) in the case of any other Legal Requirement, Lessee shall not be subject to civil or criminal liability for failure to comply herewith;

(c) neither the Leased Property, the Improvements nor any part thereof shall, in the judgment of Lessee, be in danger of being forfeited or lost; and,

(d) Lessee shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Lessor.

ARTICLE 10

UTILITY SERVICES

Section 10.01 Utility Services. Lessee or sublessee of dwelling units shall pay or cause to be paid all charges for all public or private utility services at any time rendered to or in connection with the Leased Property or any part thereof, shall comply with all contracts relating to any such services, and shall do all other things required for the maintenance and continuance of all such services.

ARTICLE 11

INSURANCE

Section 11.01 Liability Insurance. During the Term, except to the extent otherwise indicated in this section, Lessee shall, at its sole cost and expense, keep and maintain or cause to be kept and maintained:

(a) Comprehensive public liability insurance and property of damage insurance naming each Lessor, Lessee and Leasehold Mortgagee against claims for personal injury or death or property damage occurring upon, in or about the Leased Property, or any Improvements upon, in, or about the adjoining land, streets, and passageways thereof,

such insurance to afford protection in an amount not less than \$1,000,000.00 (subject to upward adjustment as provided in subparagraph (d) hereof);

(b) During the initial reconstruction, and alteration of the Leased Property or any subsequent repair or addition to any Improvements, adequate workmen's compensation insurance covering all persons employed in connection with such work and with

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respect to whom death or bodily injury claims could be asserted against Lessor, Lessee, any mortgagee of Lessee or the Leased Property;

(c) Such other insurance on the Leased Property and/or the Improvements (in amounts reasonably required by Lessor) against all other risks usually insured against by persons owning improvement real estate in Norfolk County, Massachusetts similar to the Leased Property and the Improvements, not including fire or casualty insurance covering Improvements required by Section 11.05. Any dispute between Lessor and Lessee under this subsection shall be subject to arbitration as herein provided in Article 19.

(d) The minimum amount of coverage under subparagraphs (a), (b) and (c) above shall be adjusted upward at Lessor's request during the third year of the Term and every third year thereafter, so that such respective amounts of coverage shall not be less than the amounts then generally carried on improved real estate in Norfolk County similar to the Leased Property and Improvements. After an upward adjustment is made as herein provided, the minimum amounts so established shall thereafter be effective, until the next upward adjustment (if any). Any dispute between Lessee and Lessor as to such an upward adjustment shall be subject to arbitration as herein provided in Article 19 hereof.

Section 11.02 Insurance Companies and Policies - Terms of Policy.

All insurance provided for pursuant to Section 11.01 shall be effected under a valid and enforceable policy or policies issued by a reputable insurance company qualified to do business in Massachusetts. Each such policy shall (a) name Lessor, Lessee and Leasehold Mortgagee as assureds as their respective interests may appear, (b) insofar as the same insures against losses rather than insuring against liability, provided (except in the case of a loss of less than \$5,000.00) for payment of such loss to Lessee, (c) provide or be to the legal effect that any amounts payable to Lessor shall be

payable notwithstanding any act or negligence of Lessee, (d) provide that no cancellation or termination thereof on account of non payment of premiums or any other reason shall be effective until at least (30) days after receipt by Lessor of written notice thereof, and (e) be reasonably satisfactory to Lessor in all other respects. Lessor and Lessee each hereby waive all rights of action against the other with respect to any losses or claims covered by such insurance to the extent that such waiver of subrogation is permitted by each such policy. Upon execution hereof, and thereafter not less than fifteen (15) days prior to the expiration date of the policies theretofore delivered pursuant to this section, Lessee shall deliver to Lessor duplicate originals or certificates of the policies or renewal policies, as the case may be, required hereby with receipts or other evidence satisfactory to Lessor showing the payment of all premiums.

Section 11.03 Lessee's Separate Insurance. Lessee shall not purchase separate insurance concurrent in form or contributing in the event of loss with that required by Section 11.01 to be furnished by, or which may reasonably be required to be furnished by Lessee unless Lessor and Leasehold Mortgagee are included therein as insureds with loss payable as provided in Section 11.02 hereof. Lessee shall immediately notify Lessor of the purchase of any such separate insurance and shall deliver the policy or policies or certificate thereof as provided in Section 11.02 hereof.

Section 11.04 Fire and Casualty Insurance During the Term, Lessee shall keep all Improvements at any time insured for the benefit of the Lessor, Lessee and Leasehold Mortgagee as their respective interests may appear. The insurable reversionary interest of the Lessor prior to the commencement of the construction and alteration shall be equal to one hundred thousand dollars (\$100,000) and shall be increased annually by two percent (2.0%) of the insured value of the Improvements from time to time in excess of one hundred thousand dollars (\$100,000.)

The Lessee's initial insurable interest shall be not less than the insurable interest of the Leasehold Mortgagee against loss or damage by fire and customary extended coverage in a minimum amount necessary to avoid the effect of co-insurance provisions of the applicable policies but not less than ninety percent (90%) of the full replacement value,

All such policies shall be held by Lessee, and certificates

~~thereof shall be provided to and held by Lessor.~~ All the proceeds, to the extent of the Lessee's then insurable interest, at any time and from time to time payable by any insurance company under such policies shall be repayable to Lessee and devoted first to Lessee's obligation to repair, replace or rebuild set forth in Section 6.01, and the balance shall be paid to Lessor. Lessee shall account, at least once a month, to Lessor, for the proceeds thereof as the rebuilding and/or reconstruction progresses. However, if Lessee shall exercise its right to terminate this lease as a result of damage or destruction occurring in the last ten years of the Term as provided in Section 6.02, then the proceeds shall be devoted first to reimbursing Lessee for its expenditures in removing the building and clearing rubble, and the balance shall be paid to Lessor. Lessor shall, at Lessee's cost and expense, cooperate fully with Lessee in order to obtain the largest possible recovery and to execute any and all consents and other instruments and take all other actions necessary or desirable in order to effectuate the same and to cause such proceeds to be paid as hereinbefore provided. Lessor shall not carry any insurance concurrent in coverage and contributing in the event of loss with any insurance required to be furnished by Lessee hereunder, if the effect of such separate insurance would be to reduce the protection or the payment to be made under Lessee's insurance. So far as applicable the provisions

of Section 11.02 shall apply to insurance under this Section.

ARTICLE 12

Indemnification of Lessor

Section 12.01. Indemnification for Breach of Lease, etc. Lessee shall protect, indemnify, and save harmless Lessor from and against all liabilities, obligations, damages, penalties, claims, causes of action, cost, charges and expenses, including reasonable attorneys' fees and expenses, which may be imposed upon or incurred by or asserted against Lessor by reason of:

(a) any accident, injury or damage to any person or property occurring on or about the Leased Property and/or the Improvements, or any part thereof;

(b) any use, nonuse or condition of the Leased Property and/or the Improvements or any part thereof; and

(c) any failure on the part of Lessee to perform or comply with any of the provisions hereof, except any such as may be occasioned by the negligent act or omission of Lessor, its agents, servants or employees. In case any action or proceeding is brought against Lessor by reason of any such occurrence, Lessee upon Lessor's request shall at Lessee's expense resist and defend such action or proceeding, or cause the same to be resisted and defended either by counsel designated by Lessee and approved by Lessor, or where such occurrence is covered by liability insurance, by counsel designated by the insurer.

ARTICLE 13

LESSOR'S RIGHT TO PERFORM AND INSPECT

Section 13.01 Right of Lessor to Perform Lessee's Covenants. If Lessee at any time shall fail to make any payment or perform any act required by this lease to be made or performed by it, Lessor may, but without being obligated so to do, ten (10) days or more after written

notice thereof to Lessee, make such payment or perform such act for the account and at the expense of Lessee. However, no such advance notice shall be required in the case of failure by Lessee to pay insurance premiums if payment of such premiums is required within ten (10) days in order to prevent termination or lapse of policy for such non-payment, or in other circumstances where any part of the Leased Property or Lessor's interest is in danger of being destroyed or materially damaged or impaired, as the case may be, before such period of notice can elapse. Lessor shall, in any event, provide Lessee with written notice of such payment or act as soon thereafter as is practicable. No such payment or act by Lessor shall operate to release or discharge Lessee from any obligation hereunder. All sums paid by Lessor, pursuant to this Section 13.01, and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) so incurred together with interest thereon at the current rate pursuant to Chapter 59, Section 57 of the General Laws per annum from the date of payment, shall constitute Additional Rent by Lessee hereunder and shall be paid by Lessee to Lessor on demand.

Section 13.02. Right to Inspect and Enter Leased Property. Prior to completion of the reconstruction and alteration of the Improvements and, after said completion, prior to leasing of the dwelling units by Lessee to tenants pursuant to Section 8.02 Lessor shall have the right to enter the Leased Property and/or the Improvements for purposes of inspection. The foregoing is not to be construed to give Lessor greater rights than the Lessee may have under the terms hereof.

ARTICLE 14

SURRENDER OF LEASED PROPERTY

Section 14.01. Lessee Shall Surrender in Good Order, etc. Lessee shall, upon any expiration of the Term, peaceably surrender to Lessor the

Leased Property add/or Improvements in good order, condition and repair in accordance with its obligations hereunder and assign to Lessor the subleases then current.

ARTICLE 15

QUIET ENJOYMENT, CONVEYANCE BY LESSOR

Section 15.01. Quiet Enjoyment. Lessee, upon making the payments required under Section 3.01 and Section 3.02, and upon performing and complying with all the provisions hereof, shall lawfully and quietly hold, occupy, and enjoy the Leased Property and/or the Improvements during the Term without hindrance or molestation of Lessor, or others claiming through Lessor, subject, however, to the limited right of Lessor to enter the Leased Property and/or Improvements as provided in Section 13.02, and subject to any taking and to any acts of God or other causes beyond Lessor's control.

Section 15.02. Conveyance by Lessor. During the Term, Lessor shall not make any transfer or conveyance of the Leased Property or any part thereof.

ARTICLE 16

CERTIFICATES

Section 16.01. Estoppel Certificate by Lessee. Lessee at any time or from time to time (but not more frequently than every twelve months) at the written request of Lessor, given at least fifteen (15) days in advance of the need therefor, shall execute, acknowledge, and deliver to Lessor a certificate by Lessee certifying:

(a) that this lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications);

(b) whether or not there are then existing any offsets or defenses against the enforcement of any of the provisions of this lease (and, if so, specifying the same); and

(c) the dates, if any, to which Impositions and Annual Rents and Additional Rent
/ have been made in advance.

Any such certificate may be relied upon by any prospective assigness or subtenant claiming under Lessee or ^{leasehold} mortgagee.

Section 16.02. Estoppel Certificate By Lessor. Lessor at any time or from time to time (but not more frequently than every twelve months at the written request of Lessee, given at least fifteen (15) days in advance of the need therefor, shall execute, acknowledge, and deliver to Lessee (or to such person as Lessee shall designate) a certificate by Lessor certifying:

(a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modification);

(b) whether or not there are then existing any offsets or defenses against the enforcement of any of the provisions of this lease (and, if so, specifying the same); and

(c) The dates, if any, to which Impositions and Annual Rents and Additional Rent
/ have been made in advance.

Any such certificate may be relied upon by any prospective assignees or subtenant claiming under Lessee or the/mortgagee.^{leasehold}

ARTICLE 17

ACCEPTANCE OF SURRENDER

Section 17.01. Acceptance of Surrender. No surrender to Lessor of this lease or of the Leased Property and/or Improvements or any part thereof or of any interest therein by Lessee shall be valid or effective unless required by the provisions hereof or unless agreed to and accepted in writing by Lessor.

ARTICLE 18

JOINDER OF LESSOR

Section 18.01. Joinder of Lessor. Lessor shall not be required to join in any contest referred to in Section 9.01 unless any Legal Requirement requires that such contest be brought by or in the name of Lessor, in which event Lessor shall join in such contest or permit the same to be brought in its name, provided that:

(a) Lessee shall pay all expenses in connection therewith and indemnify and save harmless Lessor from and against the same and any loss; and

(b) Lessor shall not be required to join in such contest or permit the same to be brought or continued in its name or to take any action in connection therewith if such contest or action would in Lessor's opinion be prejudicial to its best interests as owner of the Leased Property.

ARTICLE 19

ARBITRATION

Section 19.01 Arbitration. In each case specified in this Lease in which it shall become necessary to resort to arbitration, such arbitration shall be determined as provided in this Article. The party desiring such arbitration shall give written notice to that effect to the other party, specifying in said notice the name and address of the person designated to act as arbitrator on its behalf. Within fifteen (15) days after receipt of such notice, the other party shall give written notice to the first party specifying the name and address of the person designate to act as arbitrator on its behalf. If the second party fails to notify the first party the appointment of its arbitrator, as aforesaid, by the time above specified, then the appointment of the second arbitrator shall be made in the same manner as hereinafter provided for the appointment of a third arbitrator in a case where the two arbitrators appointed hereunder and the parties are unable to agree upon such appointment. The arbitrators so chosen shall meet within ten (10) days after the second arbitrator is appointed. If the said two arbitrators shall not agree upon the decision to be made in such dispute, the parties themselves shall appoint a third arbitrator who shall be a competent and impartial person; and in the event of their being unable to agree upon such appointment within ten (10) days after the time aforesaid, the third arbitrator shall be selected by the parties themselves if they can agree thereon within a further period of fifteen (15) days. If the parties do not so agree, then either party, on behalf of both, may request a judge of the Superior

Court of the Commonwealth of Massachusetts for the County of Norfolk, to appoint such third arbitrator and the other party shall not raise any question as to the Court's full power and jurisdiction to entertain the application and make the appointment; and the person so appointed shall be the third arbitrator. The decision of the arbitrators so chosen shall be given within a period of thirty (30) days after the appointment of such third arbitrator. The decision in which any two (2) of the arbitrators so appointed and acting hereunder concur shall in all cases be binding and conclusive upon the parties. Each party shall pay the fees and expenses of the one of the two original arbitrators appointed by such party, or in whose stead as above provided such arbitrator was appointed; and the fees and expenses of the third arbitrator, if any, shall be borne equally by both parties. Except as otherwise provided in this lease, said arbitration shall be conducted in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon any arbitration decision rendered may be entered by any Court having jurisdiction thereof.

ARTICLE 20

NOTICES AND APPROVALS

Section 20.01 Notices. All notices, demands, requests, and other instruments (collectively "notices") shall be given only by depositing the same in the United States mail, postage prepaid, registered or certified, with return receipt requested, (a) if to Lessor, addressed to Lessor, Board of Selectmen, Town Hall, Needham, Massachusetts 02192, or at such other address as Lessor from time to time may have designated by written notice to Lessee, and (b) if to Lessee, addressed to Lessee, c/o Crowninshield Corp., 18 Crowninshield Street, Peabody, Massachusetts, or at such other address as Lessee from time to time may have designated

by written notice to Lessor. Any notice shall be effective upon receipt.

Except as herein expressly provided to the contrary, whenever the approval of Lessor is required hereunder, it shall be obtained in the following manner: Lessee shall give Lessor notice of the proposed action for which approval is required, with such supporting documents as may be required herein. Lessor shall promptly acknowledge receipt thereof. Lessor's disapproval of any proposed action shall be given within fifteen (15) business days of receipt of the notice to Lessor thereof. If Lessor does not disapprove within such time, Lessor shall be deemed to have approved the proposed action.

ARTICLE 21

EVENTS OF DEFAULT AND REMEDIES

Section 21.01 Events of Default. An Event of Default shall be deemed to have occurred hereunder if one or more of the following events shall occur:

(a) If Lessee shall fail to make payment of any Impositions or Annual Rent or Additional Rent when the same shall become due and payable and payment shall not be made fifteen (15) days from and after written notice of such failure to pay by Lessor to Lessee.

(b) If Lessee shall default in the performance of or compliance with any of the covenants, agreements, terms or conditions contained in this Lease other than those referred to in the foregoing subparagraph (a) or in subparagraphs (c), (d) and (e) following, and such default shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee. However, with respect to any such default which is of such a nature that it cannot, with due diligence and adequate resources be cured within a period of thirty (30) days, an Event of Default shall not be deemed to exist if Lessee shall have commenced the curing of such default within the period of fifteen (15) days after written

notice thereof from Lessor and so long as Lessee shall thereafter proceed with all due diligence and all appropriate action to complete the curing of such default.

(c) If Lessee shall file a voluntary petition in bankruptcy or shall file any petition or answer seeking any reorganization in bankruptcy arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or of all or any substantial part of its properties or of any portion of the Leased Property and/or the Improvements, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, as the case may be.

(d) ~~If a~~ petition shall be filed against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation, and shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or if any Trustee, receiver or liquidator of Lessee, or of all or any substantial part of its properties or of any portion of the Leased Property, and/or the Improvements, shall be appointed without the consent or acquiescence of Lessee and such appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days (whether or not consecutive).

(e) If default shall be made by Lessee in the performance of any covenant, agreement, term or condition hereof, and such default cannot be cured.

Section 21.02. Remedies When an Event of Default Exists. If at any time an Event of Default, as defined in Section 21.01 hereof, shall exist, Lessor may, without further notice to Lessee, exercise any one or more of the remedies set forth below. Lessor's exercise of any one or more of such remedies shall be subject to the provisions of Section 21.02 hereof.

(a) Lessor may, without taking possession of the Leased Property and/or the Improvements, require strict performance of all the covenants and obligations of this Lease as the same shall accrue, and have and exercise all rights and remedies provided by law in connection therewith.

(b) Without barring later election of any other remedy, Lessor may, in the event that (i) Lessee has vacated the Leased Property by reason of reorganization under any law for the relief of debtors, merger or otherwise, and (ii) Lessee fails to use the Leased Premises and the Improvements for elderly multiple dwelling use, re-enter the Leased Property and the Improvements under process of law, and without terminating this Lease, at any time and from time to time, sublease the Leased Property and the Improvements to any persons, assume Lessee's interest in any or all subleases, for the account of Lessee or otherwise, and receive and collect the rents therefrom, applying the same first to the payment of such expenses as Lessor may have paid, assumed or incurred in recovering possession of the Leased Property and the Improvements (including costs, expenses and attorneys' fees) and in placing the same in good order and condition and/or preparing or altering the same for subleasing, and all other expenses, commissions and charges paid, assumed or incurred by Lessor in or in connection with subleasing the Leased Property and the Improvements, and then to the fulfillment of the covenants of Lessee. Any subleasing provided for herein may be for the remainder of the Term or for a longer or shorter period. Lessor may execute any lease made

pursuant to the terms hereof either in Lessor's own name or in the name of Lessee, or assume Lessee's interest to and in any existing sub-lease to any tenant of the Leased Property, as Lessor may see fit, and such subtenant therein shall be under no obligation whatsoever for the application by Lessor of any rent collected by Lessor from such subtenant to any and all sums due and owing under the provisions of this lease, nor shall Lessee have any right or authority whatever to collect any rent whatever from such subtenant, licensee or concessionaire on the Leased Property and its Improvement. In any case, and whether or not the Leased Property and the Improvements, or any part thereof be relet, Lessee, until the end of what would have been the Term in the absence of such expiration and whether or not the Leased Property and the Improvements or any part hereof shall have been relet, shall be liable to Lessor for, and shall pay to Lessor, an amount equal to:

(i) The Annual Rent, Impositions and Additional Rent otherwise payable under this lease, less

(ii) the net proceeds, if any, of any reletting effected for the account of Lessee pursuant to the provisions of this Section 21.02, after deducting all Lessor's expenses in connection with such reletting including without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, expenses of employees, alteration costs, and expenses of preparation for such reletting. Lessee shall pay such amount to Lessor monthly on the days on which the Annual ^{and Impositions} Rents/ are payable under this Lease, and Lessor shall be entitled to recover the same from Lessee on each such day.

(c) By written notice to Lessee, Lessor may declare this Lease at an end and terminated, re-enter the Leased Property and the Improvements under process of law, eject therefrom all or some of the parties in possession thereof, and repossess and enjoy the Leased Property and the

Improvements together with all Lessee's fixtures and equipment thereon. In the event of termination of this Lease pursuant to this subparagraph 21.02 (c), Lessor shall be entitled to recover from Lessee, and Lessee shall pay to Lessor on demand, as and for liquidated and agreed final damages for Lessee's default and in lieu of all such current damages beyond the date of such demand, an amount equal to the excess, if any, of:

(i) the Annual Rent, Impositions and Additional Rent which would be payable under this Lease from the date of such demand (or, if it be earlier, the date to which Lessee shall have satisfied in full its obligation under this section to pay current damages) for what would be the then unexpired portion of the Term if the same remained in effect.

(ii) the then fair net rental value of the Leased Property and the Improvements for the same period.

Section 21.03 Attorneys' Fees. Lessee shall pay, as Additional Rent hereunder, all costs and expenses incurred by or on behalf of Lessor, including, without limitation, reasonable attorneys' fees and expenses occasioned by any default by Lessee under this Lease.

ARTICLE 22

LESSEE'S WAIVER OF RIGHTS

Section 22.01 Waiver. In the event of termination of this Lease for any reason as herein provided, Lessee, so far as permitted by law, hereby expressly waives any right of redemption or re-entry or repossession or to restore the operation of this Lease.

ARTICLE 23

LESSEE'S REMEDIES

Section 23.01 No Waiver, etc. by Lessor. No failure by Lessor to insist upon the strict performance of any provision of this Lease or to exercise any right, power or remedy in the event of a breach hereof,

and no acceptance of any Payment during the continuance of any such breach, shall constitute a waiver of any such breach or provision. No waiver of any breach shall affect or alter the rights and remedies of Lessor under this Lease, with respect to any other than existing or subsequent breach thereof, unless expressly so stipulated in writing.

Section 23.02 Lessor's Remedies Cumulative, etc. Each right, power and remedy of Lessor provided for in this Lease shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessor of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lessor of any or all other such rights, powers or remedies.

ARTICLE 24

MISCELLANEOUS

Section 24.01. Invalidity of Portion of Lease. If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

Section 24.02. No Modifications Except in Writing. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

Section 24.03. Massachusetts Law Governs. This Lease shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

Section 24.04. Captions for Convenience. The captions on Articles

and Sections in this Lease are for convenience of reference only and shall in no way define, limit or describe any of the provisions of this Lease.

Section 24.05 Counterparts. This Lease may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

Section 24.06 Successors and Assigns. The covenants and agreements of this Lease shall, subject to the provisions hereof, bind and inure to the benefit of Lessor, its successors and assigns, and Lessee, its successors and assigns; but nothing in this section shall be construed as modifying or enlarging Lessee's rights to assign this Lease as elsewhere herein provided.

Section 24.07 Consents and Approvals. Whenever either party is called upon under this lease to give or withhold any approval or otherwise exercise judgment, the same shall be done in a reasonable manner in the light of the circumstances and giving full effect to the purposes intended to be achieved by this Lease.

ARTICLE 25

NOTICE OF LEASE

Section 25.01 Notice of Lease, but Not Lease, to be Recorded. This Lease shall not be recorded by either party hereto or any other person, but concurrently with the execution and delivery hereof a Notice of this lease in appropriate form, and acknowledged by Lessor, under Massachusetts General Laws, Chapter 183, Section 4, shall be recorded with Norfolk County Registry of Deeds.

ARTICLE 26

DEFINITIONS

Section 26.01 Definitions. As used herein, the following terms have the respective meanings herein set forth.

Annual Rent:

As defined in Section 3.01

Default:

Any failure on the part of Lessee to perform or comply with any of the provisions of this Lease, whether or not constituting an Event of Default.

Event of Default:

As defined in Section 21.01.

Improvements:

All buildings, facilities, fixtures, equipment, passageways, streets, curbs, sewers, surfacing, storm drains, sidewalks, fences and other structures which now, or at any time hereafter, exist upon the Leased Property.

Insurance Requirements:

All terms and provisions of each insurance policy covering or applicable to the Leased Property or any part thereof or any Improvements; all requirements of the issuers of all such policies, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Leased Property or any part thereof or any Improvements thereon at the time then relevant.

Legal Requirements:

All statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, or agencies.

Leasehold Mortgage - Any instrument pledging Lessee's interest in the leasehold estate created hereby, in any Improvements and in any subleases hereunder.

Leasehold Mortgagee- A bank, savings and loan association, insurance company or any other monetary or lending institution which is holder of a Leasehold Mortgage.

Impositions

Definition

- All taxes, assessments (including without limitation, assessments for public improvements or benefits whether or not commenced or completed during the Term), water sewer and other rents, rates and charges, excises, levies, license fees, permit fees and other authorization fees, and all other charges (in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen), of every character (including all penalties or interest thereon) which at any time during or in respect of the Term may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon (a) any Improvements on the Leased Property or any part hereof or any rent therefrom or any estate, right or interest therein, or (b) any occupancy, use or possession of the Leased Property or any part thereof.

Needham Resident:

Any person who has resided continuously for five (5) years within the Town of Needham during the next preceding ten (10) year period prior to the dated application for tenancy in the Leased Property and the Improvements.

Notices:

Notices, demands, requests, approvals, disapprovals, offers, acceptances, rejections and other communications from either party or the other.

Partial Taking:

Any taking other than a Temporary Taking which does not constitute a Total Taking as below defined.

Temporary Taking:

A Taking for a definite, limited period of time.

Total Taking:

A permanent taking or a taking for an indefinite period of all the Leased Property and the Improvements as then constituted, or so much thereof that it would not be feasible either to erect a new building or buildings or to restore such part of the existing building or buildings as remains.

WITNESS the execution thereof under seal as of the day and year first above written.

TOWN OF NEEDHAM

By BOARD OF SELECTMEN

Henry D. Hersey
Chairman, Henry D. Hersey

E. Lorretta Reynolds
Secretary, E. Lorretta Reynolds

Benedict Horowitz
Member, Benedict Horowitz

Richard M. Salamone
Member, Richard M. Salamone

Francis A. Fachetti
Member, Francis A. Fachetti

APPROVED AS TO FORM:

William R. Cross
Town Counsel

STEPHEN PALMER ASSOCIATES

By Crowninshield Corporation
General Partner

By Lawrence B. Collier
Lawrence B. Collier, President

By Philip S. Singleton
Philip S. Singleton, Treasurer

ANDERSON NOTTER INVESTMENT ASSOCIATES

By J. Timothy Anderson
J. Timothy Anderson, General Partner

APPROVED BY FINANCE COMMITTEE
TOWN OF NEEDHAM:

By William J. Mather
Chairman, William J. Mather

Schedule "A"

Beginning at a point in the southerly sideline of May Street, a Public Way, said point being 74.10 feet westerly of a stone bound in the southerly sideline of said May Street; thence running S-12°-04'-17"W a distance of 340.00 feet; thence turning and running N-80°-10'-00" -W a distance of 200 feet; thence turning and running by the Easterly sideline of Pickering Street, a Public Way, N-12°-04'-17"-E a distance of 340.00 feet; thence turning and running by the southerly sideline of said May Street S-80°-10'-00-E a distance of 200.00 feet to the point of beginning.

Said described premises are shown as Lot A on a plan entitled "Plan of Town-owned Land showing Stephen Palmer Elementary School and a Portion of Greene Field" dated March 1, 1976 by John D. Marr, Jr., the original of which is on file with the Town Clerk of the Town of Needham, containing according to said plan 67,958 square feet of land.



TOWN OF NEEDHAM
MASSACHUSETTS

Office of
TOWN CLERK

ROSE O. MACKENZIE
TOWN CLERK

AT THE ADJOURNED SPECIAL TOWN MEETING

HELD ON NOVEMBER 12, 1975

Under Article 8

it was

VOTED: That the Town authorize the Board of Selectmen, with the aid, assistance and advice of the Stephen Palmer Study Committee established by vote under Article 15 of the 1975 Annual Town Meeting, to execute in the name and on behalf of the Town, a lease, or agreement of sale with unconditional option to repurchase, the Stephen Palmer Elementary School Building together with that portion of Green Field land lying within 275 feet from the southerly side of May Street for a term of years with an option to renew for one (1) additional equal term of years consistent with the reasonable life expectancy of said building as altered, repaired, improved and renovated as herein contemplated; said lease or agreement of sale shall be subject to the approval of the Finance Committee and shall restrict the use of said premises to residential occupancy by persons 55 years of age or older and use by Town departments and agencies and shall contain terms and provisions necessary and/or appropriate to give effect to the following conditions:

- (1) Alteration, repairs, improvements and renovations to be made to said premises without cost to the Town.
- (2) Taxes, or appropriate payments in lieu of taxes to be made to the Town after allowing credit (a) for the cost of said alterations, repairs, improvements and renovations and (b) for space occupied by the Town as a subtenant or reserved to the Town in said lease, or agreement of sale, as the case may be.
- (3) Said alterations, repairs, improvements and renovations to conform to all zoning and minimum building standards contained in any state or local statute, by-law, rule or regulations.
- (4) Insurance to properly cover the respective insurable interests of the Town and the lessee or conditional purchaser after completion of said alterations, repairs, improvements and renovations; after said lease or agreement of sale has been duly executed, the Board of Selectmen is further authorized to

appoint a committee of three (3) to act as agent of the Selectmen for the administration of the premises during the term of the lease or any renewal thereof, or during the period ending with the exercise of the option to repurchase, at which time the Stephen Palmer Study Committee will have completed its assignment as authorized by said vote under Article 15 of the 1975 Annual Town Meeting and the within authorization; that the within authorization shall not become effected until the School Committee has officially determined that the property referred to herein is no longer needed for school purposes.

YES - 166

NO - 33 //

Russ O. MacKenzie
Town Clerk

—A true Copy

Attest:

Russ O. MacKenzie



TOWN OF NEEDHAM
MASSACHUSETTS

Office of
TOWN CLERK

ROSE O. MACKENZIE
TOWN CLERK

AT THE SPECIAL TOWN MEETING

HELD ON FEBRUARY 2, 1977

UNDER ARTICLE 1

it was

VOTED: To amend the so-called Stephen Palmer Elementary School Building vote of the Town under Article 8 of the Special Town Meeting held on November 10, 1975 by changing the figure "275" to "340" so that a portion of line 7 and a portion of line 8 will read as follows:

"...land lying within 340 feet from the southerly side of May Street..."

YES 168 - NO 29 //

A true copy.

ATTEST:

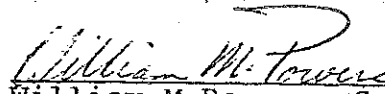
Rose O. Mackenzie
Rose O. Mackenzie, Town Clerk

CERTIFICATE OF VOTE
(School Committee-Town of Needham)

I, William M. Powers, the duly constituted Superintendent of the Needham Public Schools acting in the official capacity as the duly appointed Secretary of the Needham School Committee, hereby certify that a meeting of the Needham School Committee was duly called for January 6, 1976 at which meeting all members of the School Committee were present and voting and that the following vote was adopted:

"VOTED: That the Stephen Palmer Elementary School Building and the land area 275 ft. from the southerly side of May Street is not needed for school purposes for the term or period of time defined in the vote of the Town under Article 8 of the November 12, 1975 Special Town Meeting and further clarified by vote of the School Committee on October 28, 1975."

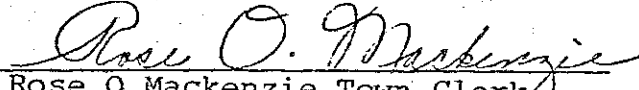
I further certify that the foregoing vote has not been altered, amended or rescinded in any manner, except to increase the land area in the above vote from 275 feet to 340 feet, and that the said vote remains in full force and effect this 13th day of May 1977.



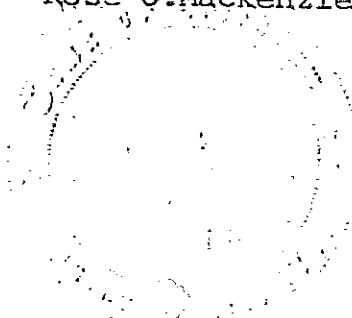
William M. Powers, Superintendent and
Secretary as aforesaid

A true record.

Attest:



Rose O. Mackenzie, Town Clerk



STEPHEN PALMER ASSOCIATES
ANNUAL RENT REVIEW PROCEDURE

The Stephen Palmer Associates and the Needham Board of Selectmen will have an annual meeting to review the overall rent structure for the apartments. This meeting will take place between March 1 and March 31. At that meeting, the Stephen Palmer Associates will provide the selectmen with a certified financial statement of the previous year's operations. Based on this certified financial statement, the Stephen Palmer Associates will provide the selectmen with an analysis of any increases or decreases in the following operating cost.

1. Taxes - The assumption made in establishing the basic rents was that the real property taxes on the Improvements would not be greater than eighteen per cent (18%) of the effective gross rentals and not less than \$15,000 annually. Any increase in the projected taxes, though not anticipated, will cause a proportionate increase in rents.
2. Heating costs are estimated at \$8400.00 per year. Any increase or decrease in the basic cost of the fuel will be indexed to determine whether rents are increased or decreased.
3. Electric costs are estimated at \$5,000 per year. This estimate is based on each tenant paying any surcharge for air conditioner usage. Any increases in electricity caused by increases in rates or consumption will cause a rent adjustment.
4. Repairs - maintenance - Increases in these items as well as the cost of water, janitorial service and insurance will form the basis for an adjustment, provided, however, that for the first five years no capital expenditure for maintenance or repair in excess of five thousand dollars (\$5000) shall form the basis for a rent adjustment. Such expenses after the first five years shall be averaged over the recoverable period.
5. Vacancy is estimated as 4,200 per year. Any decrease in vacancy rates will cause a reduction in the schedule of rental rates.
6. The accounts shown for debt service and return on developer's investment will remain constant during the mortgage term.

STEPHEN PALMER APARTMENTS

Rent Schedule

	One Bedroom	Two Bedrooms	One Bedroom Duplex	Two Bedroom Duplex
GROUND LEVEL	\$295/mo (3)			
FIRST FLOOR	\$295/mo (9)	\$425/mo (2)		
SECOND FLOOR			\$360/mo (8)	\$450/mo (6)

SUBLEASE

Sublease made this 3rd day of May 1977 between the Town of Needham acting by and through its Board of Selectmen ("Tenant") and Stephen Palmer Associates, a Massachusetts Limited Partnership ("Landlord").

1. Landlord is the Lessee named in a Lease dated to it from the Town of Needham demising the real property described in Exhibit A hereto attached (the "Major Lease"); Landlord is presently engaged in construction and renovation of the building on said real property; (the "Premises") and Landlord hereby subleases to Tenant that portion of the Premises outlined in red on the plan hereto attached and marked Exhibit B (the "Leased Premises") Tenant shall have, as appurtenant to the Leased Premises, rights to use in common with others entitled thereto; (a) the common facilities included in the Premises, (b) fifteen parking spaces adjacent to the Premises at locations designated from time to time by Landlord, and (c) the common pipes, ducts, conduits, wires and appurtenant equipment serving the Premises.

Landlord reserves the right to use the Leased Premises as a common facility in the Premises at times when Tenant is not using the Leased Premises.

2. The term of this Sublease shall be for 50 years commencing on the 3rd day of May, 1977.

3. The Tenant shall pay to Landlord annual rent in advance for each full calendar year of the Term in the amount of \$100. which amount shall be pro-rated according to the number of calendar months in the first and last years of the Term. Payment of the annual rent shall be made on the first day of January in each year.

4. Landlord shall provide and Tenant shall reimburse Landlord for (a) the cost of all electricity consumed by Tenant in the Leased Premises, and (b) the cost of furnishing such special custodial services which Landlord determines to be necessitated by Tenant's use of the Leased Premises for community purposes. Landlord shall bill Tenant annually for electricity consumed by and custodial services provided to Tenant, and Tenant shall make payment therefore as Additional Rent hereunder within thirty days after billing.

5. Landlord agrees to furnish reasonable heat to the Leased Premises during the normal heating season of each year.

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6. Landlord does not warrant that any facility used by Tenant or any service to be rendered to Tenant pursuant to this Sublease will be free from interruption caused by repairs, labor difficulties, accidents, difficulty or inability to obtain fuel, electricity, service or supplies from the sources from which they are usually obtained for the Premises or any other cause beyond Landlord's control.

7. Tenant may use the Leased Premises for any purpose permitted by law, and Tenant acknowledges that no use will be made of the Leased Premises which would be unlawful, improper, noisy or offensive, inconsistent with the use of the Premises as an apartment dwelling for the elderly, or contrary to any law or any municipal ordinance or by-law in force in the Town of Needham.

8. Tenant shall not permit any use of the Leased Premises which will make voidable any insurance on the Premises of which the Leased Premises are a part, or on the contents of the Premises or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. Tenants shall on demand reimburse the Landlord all extra insurance premiums caused by the Tenant's use of the Leased Premises.

9. The Tenant agrees to maintain the Leased Premises in the same condition as they are at the commencement of the term or as they may be put in during the term of this Sublease, reasonable wear and tear, damage by fire and other casualty only excepted. Tenant shall not permit the Leased Premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. Tenant shall obtain written consent of Landlord before erecting any sign on the premises.

10. Tenant shall not make alterations or additions to the Leased Premises, without Landlord's prior written consent, which consent will not be unreasonably withheld or delayed.

11. Tenant shall not assign or sublet the whole or any part of the Leased Premises without Landlord's prior written consent, which consent will not be unreasonably withheld or delayed, except that Tenant shall have the right to allow the use of the Leased Premises by any community organization in the Town of Needham, without obtaining Landlord's consent.

12. This sub-lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the Premises of which the Leased Premises are a part and Tenant shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this Lease to said mortgages, deeds or trust or other such instruments in the nature of a mortgage, provided that the mortgagee shall, in consideration of such subordination, execute an agreement not to disturb Tenant's possession, in the form hereto attached and marked Exhibit C.

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13. The Landlord or agents of the Landlord may, at reasonable times, enter to view the Leased Premises and make repairs and alterations as Landlord shall elect to do.

14. Tenant shall maintain with respect to the Leased Premises and the Premises, comprehensive public liability insurance in the amount of _____ with property damage insurance in limits of _____ in responsible companies qualified to do business in Massachusetts and in good standing therein insuring Landlord as well as Tenant against injury to persons or damage to property as provided. Tenant shall deposit with the Landlord certificates for such insurance at a prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be cancelled without at least ten (10) days prior written notice to each assured named therein.

15. If there shall be a taking of all or a portion of the Premises, such that the Major Lease terminates, this Sub-lease shall similarly terminate. If there is a taking but the Major Lease remains in full force and effect, this sub-lease shall remain in full force and effect.

The Landlord reserves, and the Tenant grants to Landlord, all rights which the Tenant may have for damages or injury to the Leased Premises for any taking by eminent domain, except for damage to Tenant's fixtures, property, or equipment.

16. If the Leased Premises are damaged or destroyed by fire or other cause, in whole or part, Landlord shall, to the extent the insurance proceeds are sufficient, cause the same to be promptly repaired, replaced or rebuilt as nearly as possible to their value, condition and character prior to such damage or destruction, with such alterations and additions as Landlord may elect pursuant to the Major Lease, within a period of time which, under all prevailing circumstances, shall be reasonable, provided the Landlord shall not be obliged to repair, replace or rebuild if such damage or destruction occurs during the last ten years of the Term. If Landlord shall elect not to repair, replace or rebuild, Landlord shall so notify Tenant and this sublease shall terminate, said termination to be effective on the last day of the calendar month in which the said notice is given.

Tenant agrees that if the insurance proceeds are insufficient to restore the Premises, the Landlord shall have no obligation to restore the Leased Premises. If the Leased Premises are not restored, Tenant may terminate this sub-lease by notice to Landlord, or may provide the funds necessary to allow Landlord to restore the Leased Premises.

17. If Tenant shall default in the observance or performance of any of the Tenant's covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof, then the Landlord shall have the right thereafter, while such default continues, to re-enter and take complete possession of the Leased Premises, to declare the term of the Sub-Lease ended, and remove the Tenant's effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default and Tenant shall indemnify the Landlord against all loss of rent and other payments which the Landlord may incur by reason of such termination during the residue of the term. If the Tenant shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on Tenant's part to be observed or performed under or by virtue of any of the provisions in any article of this Sub-lease, Landlord, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of Tenant. If Landlord makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceedings, such sums paid or obligations incurred, shall be paid to Landlord by Tenant as Additional Rent.

18. Any notice from the Landlord to Tenant relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if mailed registered or certified mail, return receipt requested, postage prepaid, addressed to the Chairman, Board of Selectmen, Town of Needham, Town Hall, Needham, Massachusetts. Any notice from the Tenant to the Landlord relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed to the Landlord at such address as the Landlord may from time to time advise in writing. All rent and notices shall be paid and sent to the Landlord c/o Crowninshield Corporation, 18 Crowninshield Street, Peabody, Massachusetts.

19. If the Major Lease shall terminate during the term hereof for any reason whatsoever, this Sublease shall terminate upon such termination with the same force and effect as of such termination date had been named herein as the date of expiration hereof, provided, however, that if the Leasehold Mortgagee shall be entitled to enter into a new lease, the Tenant hereunder shall be entitled to enter into a new sub-lease. Nothing herein provided shall be deemed to confer any greater rights upon the Tenant herein than are conferred upon the lessee of the Major Lease.

20. Tenant shall at the expiration or other termination of this sub-lease remove all Tenant's goods and effects from the Leased

Premises. Ten.) shall deliver to Landlor the Leased Premises and all alterations and additions made to or upon the Leased Premises, in the same condition as they were at the commencement of the Term, or as they were put in the same condition as they were at the commencement of the term, or as they were put in during the term hereof, reasonable wear and tear and damage by fire or other casualty only excepted.

Executed as a sealed instrument this 3rd day of
May, 1977.

TOWN OF NEEDHAM

By BOARD OF SELECTMEN

Henry D. Hersey
Chairman Henry D. Hersey

Benedict Horowitz
Member Benedict Horowitz

E. Loretta Reynolds
Member E. Loretta Reynolds

STEPHEN PALMER ASSOCIATES

By CROWINSHIELD CORPORATION
GENERAL PARTNER

By Lawrence B. Collier
Lawrence B. Collier, President

By Philip S. Singleton
Philip S. Singleton, Treasurer

APPROVED BY FINANCE COMMITTEE
TOWN OF NEEDHAM:

By William L. Mather
William L. Mather, Chairman

APPROVED AS TO FORM:

William A. Cross
Town Counsel

Richard M. Salamone
Member Richard M. Salamone

Francis A. Facchetti
Member Francis A. Facchetti

ANDERSON NOTTER INVESTMENT
ASSOCIATES

By J. Timothy Anderson
J. Timothy Anderson, General Partner

RECOGNITION AGREEMENT

In consideration of the premises, of the mutual covenants of the undersigned and of other good and valuable consideration, the undersigned hereby mutually agree as follows:

1. As used in this instrument, the following terms shall have the meanings indicated:

MAJOR LESSOR - Town of Needham .

SUB-LESSOR - Stephen Palmer Associates, a Massachusetts limited partnership with its principal office c/o Crowinshield Corporation, 18 Crowinshield Street, Peabody, Massachusetts

SUB-LESSEE - Town of Needham

MORTGAGEE -

PREMISES - A certain parcel of land shown as Lot A on a plan entitled "Plan of Town - owned land showing Stephen Palmer Elementary School and a portion of Greene Field" dated March 1, 1976, on file with the Town Clerk of the Town of Needham, with the improvements thereon, being more particularly described on Exhibit A hereto attached.

SUB-LEASED PREMISES - That portion of the basement level of the building on the premises which portion is outlined in red on the plan marked Exhibit B hereto attached.

MAJOR LEASE - Lease dated between MAJOR -Lessor and Sub-Lessor

SUB-LEASE - Sub-lease dated between Sub-Lessor and Sub-Lessee.

MORTGAGE - A mortgage given by sub-lessor to Mortgagee dated recorded with Registry of Deeds, Book, , Page in the original principal amount of covering the Premises.

2. The Mortgagee hereby assents to the Sub-Lease and agrees with Sub-Lessee that, in the event of an entry by the Mortgagee to foreclose said Mortgage, or in the event of a foreclosure of the Mortgage by entry or by sale, Sub-Lessee, if it is not then in default with respect to any of the covenants or conditions of said Sub-Lease by Sub-Lessee to be performed or observed, shall peaceably hold and enjoy the sub-leased Premises for the remainder

of the unexpired term of the Sub-Lease upon the same terms, covenants, and conditions as in said Sub-Lease contained and without any hindrance or interruption from the Mortgagee.

3. In consideration of the foregoing covenants by the Mortgagee, Sub-Lessee does hereby covenant and agree with the Mortgagee that in the event of any entry by the Mortgagee to foreclose said Mortgage or in the event of a foreclosure of the Mortgage by entry or by sale, Sub-Lessee will recognize the Mortgagee as its landlord for the remainder of the unexpired term of the Sub-Lease upon the covenants and conditions thereof by Sub-Lessee to be performed and observed, and Sub-Lessee does hereby covenant and agree with the Mortgagee to perform and observe the same.

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their successors or assigns.

Executed under seal this 3rd day of May 1977.

Mortgagee

TOWN OF NEEDHAM

Sub-Lessee

By: The Board of Selectmen

Henry D. Hickey

Loretta Reynolds

Benjamin Quincy

Lawrence A. Loucheux

Richard M. Lefebvre

approved as to form:

William A. Cross,

Town Council

BILL OF SALE AND DEED

As used in this instrument, the following terms shall have the meanings indicated:

Grantor: The Town of Needham acting by and through the Board of Selectmen.

Grantee: Stephen Palmer Associates, a Massachusetts Limited Partnership having its principal office c/o Crowinshield Corporation, 18 Crowinshield Street, Peabody, Massachusetts.

Land Parcel: The real property shown as Lot A on a plan entitled "Plan of Town - owned land showing Stephen Palmer Elementary School and a portion of Greene Field" dated March 1, 1976, on file with the Town Clerk of the Town of Needham, and more particularly described in Schedule A hereto attached.

Improvements: All buildings, facilities, fixtures, equipment fences and other structures situate upon the land parcel but not including the Land Parcel.

Grantor, for valuable consideration, receipt of which is hereby acknowledged, hereby sells, transfers, and delivers to Grantee and, to the extent any portion of the Improvements may constitute real property, conveys to Grantee all its rights, title and interest in and to the Improvements, subject to Grantor's right to reacquire the Improvements as provided in a so-called "Ground Lease" of the Land Parcel between Grantor and Grantee of even date, which consideration is less than \$100.

Grantor hereby represents and warrants that it is the lawful owner of the Improvements free from all encumbrances except those of record and zoning, building and other governmental regulations.

Grantor makes no representations with regard to the physical condition of the Improvements and the Improvements are hereby sold, transferred, delivered and conveyed "AS IS".

Executed under seal this 3rd day of May 1977.

TOWN OF NEEDHAM

By BOARD OF SELECTMEN

Henry D. Hersey
Chairman Henry D. Hersey

E. Loretta Reynolds
Member E. Loretta Reynolds

Benedict Horowitz
Member Benedict Horowitz

Richard M. Salamone
Member Richard M. Salamone

Francis A. Facchetti
Member Francis A. Facchetti

- APPROVED AS TO FORM:

William A. Cross
Town Counsel

COMMONWEALTH OF MASSACHUSETTS

Norfolk, ss.

Needham, September 6, 1977

Personally appeared the above named Henry D. Hersey, E. Loretta Reynolds, Benedict Horowitz, Richard M. Salamone and Francis A. Facchetti as they constitute the entire membership of the Needham Board of Selectmen and acknowledged the foregoing bill of sale and deed to be their free act and deed, before me

William A. Cross
William A. Cross, Notary Public

My commission expires: February 16, 1984

The land in Needham, Norfolk County, Massachusetts, bounded and described as follows:

Beginning at a point in the southerly sideline of May Street, a Public Way, said point being 74.10 feet westerly of a stone bound in the southerly sideline of said May Street; thence running $S-12^{\circ}-04'-17''W$ a distance of 340.00 feet; thence turning and running $N-80^{\circ}-10'-00''-W$ a distance of 200 feet; thence turning and running by the Easterly sideline of Pickering Street, a Public Way, $N-12^{\circ}-04'-17''-E$ a distance of 340.00 feet; thence turning and running by the southerly sideline of said May Street $S-80^{\circ}-10'-00''-E$ a distance of 200.00 feet to the point of beginning.

Said described premises are shown as Lot A on a plan entitled "Plan of Town-owned Land showing Stephen Palmer Elementary School and a Portion of Greene Field" dated March 1, 1976 by John D. Marr, Jr., the original of which is on file with the Town Clerk of the Town of Needham, containing according to said plan 67,958 square feet of land.

Said described premises are also shown as Lot A on a plan entitled "Plan of Town-owned Land showing Stephen Palmer Elementary School and a Portion of Greene Field" dated July 7, 1977 by John D. Marr, Jr. and recorded with Norfolk District Registry of Deeds as Plan No. 685.

SCHEDULE A