AGREEMENT BETWEEN CITY OF PORTSMOUTH AND PDNED GREENLAND LLC FOR SEWER SERVICE, GREENLAND, NH

This agreement made this day of day o

WHEREAS, PDNED currently is constructing an approximately 350,000 square foot retail facility on the property (the "Facility"); and

WHEREAS, RSA 149-I:4 enables Portsmouth to lease, enter into contracts to provide, sell or purchase sewage or waste treatment facilities to or from any other city, town, village, district, or person whenever they judge the same necessary for the public convenience, health, and welfare; and

WHEREAS, Portsmouth and PDNED recognize that it is for the public convenience, health, and welfare that the facility have access to municipal waste water management as opposed to an on-site septic system; and

WHEREAS, the New Hampshire Public Utilities Commission has granted Portsmouth authority to extend sewer services to the property pursuant to its Order No. 24,865 issued on June 20, 2008.

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NOW THEREFORE, the parties hereby mutually covenant and agree that:

1. Responsibility of PDNED to Portsmouth.

- A. PDNED and its successors and assigns, are responsible to Portsmouth for the purposes of this Agreement, for the construction, operation, and maintenance of all proposed sewage facilities which service the Facility up to the connection to a public sewer manhole located in Grafton Road near the intersection of Country Club Lane in the City of Portsmouth (the "Connection Point") and shown on the plans attached hereto as Exhibit A entitled "Greenland Pumping Station Force Main PDNED Greenland LLC Portsmouth, New Hampshire," dated October 2008, prepared by Camp Dresser & McKee, Inc. (the "Sewer Extension Plans"). The sewer line and all appurtenances shown on the Sewer Extension Plans are hereinafter referred to as the "Private Sewer Line." This provision is applicable both for portions of the Private Sewer Line constructed under this agreement in Greenland and in Portsmouth. Portsmouth shall not be responsible for any costs incurred in constructing, operating, and maintaining any system to accept sewage flow from the Facility into the Portsmouth Sewage System.
- B. Notwithstanding the foregoing, the City of Portsmouth shall have the right but not the obligation to assume the ownership, operation, and maintenance of the Private Sewer Line, or any portion thereof upon providing PDNED with written notice thereof which notice shall specify the date upon which the ownership, operation, and maintenance of the private sewer line shall be assumed by Portsmouth.
- 2. <u>Sewer Line.</u> PDNED will construct the Private Sewer Line from the Property to the Connection Point, at its sole cost and expense. The construction of the Private Sewer Line will be according to the specifications approved in writing in advance of commencement of

construction by the Portsmouth City Engineer. Prior to sewage being received by the Portsmouth Sewage System, the construction shall be inspected and approved by the Portsmouth City Engineer. Notwithstanding PDNED's responsibility for the maintenance and repair of the Private Sewer Line, Portsmouth shall have access to all points of the systems for maintenance and repair.

- 3. Additional Sewer System Improvements. PDNED will pay to the City of Portsmouth a private sewer line access fee of One Million Dollars (\$1,000,000.00) intended for the design and construction of downline improvements to the Portsmouth Sewer System as Portsmouth shall determine to be necessary and appropriate to accommodate the additional flows from the Facility and as may otherwise be deemed necessary or desirable by the City of Portsmouth. All design and construction work shall be done by the City of Portsmouth and shall be done at such times as the City of Portsmouth shall determine to be appropriate. The payment by PDNED shall be in the amount of One Million Dollars (\$1,000,000.00), regardless of the actual cost of such improvements, which amount shall be paid pursuant and in the manner set forth in Paragraph 9 hereof.
- 4. <u>Handling of Sewage by Portsmouth.</u> The sewage that flows from the Facility through the Private Sewer Line will, after its construction is completed as provided herein, be received by Portsmouth for treatment.
- 5. Permitted Sewage Flow into the Portsmouth Sewer System. The sewage flow from the Facility received by the Portsmouth Sewage System shall not exceed 20,000 gallons of flow during any one calendar day, unless otherwise permitted by Portsmouth. Only sewage generated at the Facility shall be accepted. In order to eliminate odor emanating from or caused by sewerage from the Facility which is disposed into the Private Sewer Line, PDNED shall

participate as may be reasonably necessary in any odor control efforts at its own cost as may be directed by the City of Portsmouth.

- 6. Metering of the Permitted Sewage Flow. PDNED will be responsible for appropriate flow meter facilities on the Private Sewer Line to measure the sewage flow delivered to the Portsmouth Sewer System. PDNED will be responsible for all costs of overseeing the installation, operation, and maintenance of the required metering facilities unless and until Portsmouth exercises its rights under Paragraph 1B. The metering devices shall be of a continuous recording and totalizing type. Details of the location, type, and installation shall be approved by Portsmouth prior to commencement of construction of the Private Sewer Line. Representatives of Portsmouth shall have access to the metering for the purposes of obtaining meter readings, inspection of the facility, and/or verification of the accuracy of the flow measuring equipment. PDNED shall be responsible for all reasonable expenses for metering and testing of the meter, on a reasonable schedule to be determined by Portsmouth, and/or when necessitated by repair work. PDNED shall submit to the City Engineer monthly flow records and such additional flow records as may from time to time be reasonably requested. PDNED shall also submit annually proof of calibration of the flow meter by a qualified contractor.
- 7. <u>Maintenance and Repair.</u> PDNED shall conduct all construction, maintenance, and repair work on the Private Sewer Line. In the event that Portsmouth determines that (i) following the commencement of construction of the Private Sewer Line, PDNED has failed to diligently prosecute such construction to completion, or (ii) PDNED has failed to perform any required maintenance or repair work in a diligent manner, and if such failure continues for a period of five (5) days following Portsmouth's delivery of written notice thereof to PDNED, sent in accordance with the provisions of Paragraph 19 (except in the case of an emergency when

such shorter notice, if any, as may be deemed reasonable by Portsmouth shall be given), Portsmouth may perform such work, and if Portsmouth does, PDNED shall pay the costs of such work in an amount calculated to recover all direct and indirect costs associated with the work plus a 25% surcharge.

- 8. Nature of Sewage Acceptable to Portsmouth. Sewage which Portsmouth accepts will be limited to domestic and sanitary sewage of the type normally discharged from retail establishments located at the Facility plus normal infiltration. Portsmouth will not accept industrial wastewater. Neither PDNED nor its tenants will knowingly discharge or allow the discharge into the Private Sewer Line any waste which is toxic or otherwise harmful to the wastewater treatment facilities of Portsmouth. In the event that such wastes are discharged into the system from the Facility, PDNED shall be responsible for all costs associated with remediation. PDNED agrees to comply, in the same manner as other Portsmouth sewer users, with any grease trap requirements.
- 9. Hook Up and Access Charge. PDNED shall pay to the City of Portsmouth a private sewer line hook up fee payable over a period of ten (10) years in the amount of One Million Dollars (\$1,000,000.00) with interest at a rate of 4.1% per annum. Each annual payment shall be in the amount of \$123,905 as set forth in the attached Exhibit B. The first annual payment shall be due and payable thirty (30) days following the issuance by the Town of Greenland of a Certificate of Occupancy for the first business to open at the Facility. Subsequent annual payments shall be made during each of the following nine (9) years on or before the same day of each such year. (For example, if the Certificate of Occupancy for a building is issued on April 1, 2009. The first payment would be due on May 1, 2009 and the following nine payments would be due on May 1 of the following nine years.) In addition, commencing with the eleventh

(11^{th)} year anniversary of the issuance of the Certificate of Occupancy, PDNED shall pay an additional capital improvements charge equal to ten percent (10%) of the Usage Charge. This fee shall be payable annually, quarterly or monthly as determined from time to time by Portsmouth. A late fee of 5% of the annual payment shall be assessed for any late payment.

10. Usage Fee. PDNED shall be charged sewer rates, in accordance with the normal policies, procedures, and charges of Portsmouth, as they may from time to time be amended, as if PDNED were a resident of Portsmouth (the "Usage Charge") if any payment is not made when due, it shall be subject to simple interest at the rate of 18% per annum on the unpaid balance.

11. Security.

A. As security for the performance of obligation of PDNED to complete the construction of the Private Sewer Line as described in Paragraph 2, PDNED will name Portsmouth as dual obligee on the construction bond to be filed with the New Hampshire Department of Transportation ("NHDOT") to secure construction of the Private Sewer Line. To secure the payments provided for in Paragraph 9 hereof, PDNED has delivered a Mortgage in the form of Exhibit C attached hereto.

If PDNED fails to provide such security within the time period set forth above and otherwise to the reasonable satisfaction of Portsmouth, and if such failure continues for a period of ten (10) days following Portsmouth's delivery of written notice thereof to PDNED, then Portsmouth shall have the right to terminate this Agreement by written notice given to PDNED at any time following such ten day period but prior to PDNED's satisfactory delivery of the required security. Portsmouth may call upon the security to satisfy any obligations of PDNED to Portsmouth under this Agreement after first giving PDNED thirty (30) days written notice to cure the default.

- B. As security for the payment of the usage fees to be paid pursuant to paragraph 10 hereof and the repair and maintenance obligations of PDNED set forth herein, PDNED has delivered and recorded a Municipal Lien Agreement in the form of Exhibit D attached hereto. Such Municipal Lien Agreement shall constitute a first lien of record upon the Property and PDNED has caused to be delivered to Portsmouth an opinion of counsel or other evidence satisfactory to Portsmouth that the Municipal Lien Agreement constitutes a first lien of record upon the Property.
- 12. <u>Term.</u> The term of this Agreement shall be thirty (30) years from the date of the execution of the Agreement. At the end of the original and each succeeding term and provided that PDNED is not in default beyond any applicable notice and cure periods at the time hereunder, this Agreement shall be automatically renewed for additional ten (10) year terms.
- 13. Assignment. The parties acknowledge that PDNED intends to create a three (3) Unit condominium on the Property with each building constituting a Unit and that the Units may be sold, leased or mortgaged and accordingly this Agreement and the rights and obligations hereunder shall be assignable by PDNED to the condominium association and the other owners, lessees or mortgagees of the Facility, or portions thereof, provided that prior written notice is given to the Portsmouth City Manager; provided, however, such assignment may only occur if (a) either (i) the condominium association and/or the new owner(s) assume the obligations of PDNED set forth herein, or (ii) PDNED remains fully responsible for the payment and performance of its obligations set forth herein and (b) the security posted pursuant to Paragraph 11 remains in place or substitute security acceptable to Portsmouth is delivered to Portsmouth. In all other cases, the prior approval of the Portsmouth City Manager shall be required, such approval not to be unreasonably withheld. The granting by PDNED of rights to flow sewerage

into the Portsmouth Sewer System to lessees or tenants of portions of the Property shall not be deemed an assignment of this Agreement. Any request for an approval of an assignment shall be in writing and shall be sent pursuant to the provisions of Paragraph 19 hereof, and provided the notice from PDNED to Portsmouth specifically states that the failure to respond within sixty (60) days of receipt shall be deemed approval, then the failure of Portsmouth to respond to such a request, in writing, within sixty (60) days of receipt of such request, shall be deemed the approval of such requested assignment. The notice shall be substantially in the form found at Exhibit E. If PDNED does not receive a response within thirty (30) days, it shall issue a second letter advising that consent to assignment is being sought and enclosing a copy of the original letter. PDNED shall also attempt to make contact with the City Manager by telephone or in person.

- 14. <u>Sewer Uses.</u> This Agreement authorizes use of the Portsmouth sewer system solely by the Facility of PDNED. Any other person and/or entity that wishes to utilize the Private Sewer Line installed by PDNED must have the approval of the City and of PDNED unless and until Portsmouth assumes ownership and repair and maintenance responsibility for the entire Private Sewer Line pursuant to its rights under Paragraph 1B.
- Termination of Service. PDNED, its successors and assigns, agree to maintain compliance at all times with all ordinances, policies, and regulations of Portsmouth regarding sewer use and disposal. In the event of non-compliance or default under this Agreement, Portsmouth may terminate sewer use if PDNED unreasonably fails to remedy the non-compliance within thirty (30) days of written notice. PDNED shall have an opportunity for a hearing before the City Manager to show cause why service should or should not be terminated.

- 16. <u>Amendment.</u> This Agreement may be amended only by written agreement signed by both parties.
- 17. Right to Terminate. In the event that the Private Sewer Line is constructed and fully completed and put into use and subsequently PDNED is unable or unwilling to continue to use the Private Sewer Line, then PDNED shall have the right to terminate this Agreement on thirty (30) days written notice delivered to the Portsmouth City Manager; provided, however, such termination shall not terminate PDNED's obligation to make the payments provided for in Section 9, which obligation shall continue until payment in full. Upon such termination of this Agreement, Portsmouth shall cease receiving sewage from the Facility and PDNED shall be responsible for all costs of disconnecting the Private Sewer Line and PDNED shall have no further obligations to make any payments to Portsmouth after termination of the Agreement except as provided in Paragraphs 9 and 17. However, PDNED shall not be entitled to reimbursement of any payments made to Portsmouth prior to the effective date of termination.
- 18. <u>Indemnity</u>. PDNED shall be responsible to hold harmless and indemnify Portsmouth and its officers, agents, and employees from any and all costs of construction, maintenance, or use of any sewage facility constructed pursuant to this Agreement, including but not limited to, environmental harm or damage caused to Portsmouth or others attributable in any way to the construction, existence, or use of those facilities. This indemnity shall survive termination of this Agreement.
- 19. <u>Notices.</u> All notices given in connection with this Agreement shall be given by certified mail, return receipt requested, or by delivery to a recognized overnight delivery service which maintains tracking records and a confirmation of delivery, and shall be addressed as follows:

City of Portsmouth Attention: City Manager One Junkins Avenue Portsmouth, NH 03801

with a copy to:

City of Portsmouth Attention: City Attorney One Junkins Avenue Portsmouth, NH 03801

with a copy to:

City of Portsmouth Attn: Director of Public Works 680 Peverly Hill Road Portsmouth, NH 03801

PDNED Greenland LLC One Wells Avenue Newton, Massachusetts 02459

with a copy to:

Fellman Law Group, PC Attn: Ronald Fellman, Esquire 54 Jaconnet Street - Suite 300 Newton, MA 02461

Any party hereto shall have the right to change the address at which it is given notice by written notice to the other parties sent in accordance with the first sentence hereof.

Copies of notices to PDNED shall be sent to any mortgagee of PDNED which has notified Portsmouth in the manner set forth in this Section 18, that it is a mortgagee of all or a portion of the Property and that it is entitled to receive copies of notices under this Section 18. Any such mortgagee shall have the right to cure any default or breach hereunder (i) within ten (10) days following its receipt of such notice if the default or breach involves the payment of

money, or (ii) within thirty (30) days following its receipt of such notice for other breaches or defaults (or if the mortgagee requires possession of the Property in order to cure, such additional period of time as may reasonably be required provided such mortgagee has commenced taking action to obtain possession of the Property), and Portsmouth shall not terminate this Agreement while any such cure is being prosecuted diligently and in good faith.

- 20. <u>Governing Law.</u> This Agreement shall be governed by and interpreted in accordance with the provisions of the laws of the State of New Hampshire.
- 21. <u>Recording</u>. Notice of this Agreement shall be filed with the Rockingham County Registry of Deeds.

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Witness

City of Portsmouth
By: its City Manager

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PDNED Greenland LLC By: PDNED Manager LLC

its duly authorized

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PDNED GREENLAND LLC, CITY OF PORTSMOUTH SERVICE AGREEMENT

LIST OF EXHIBITS

- A. Pump Station Plans
- B. Annual Payment Schedule
- C. Mortgage
- D. Municipal Lien Agreement
- E. Notice of Assignment

EXHIBIT A

Greenland Pumping Station Force Main PDNED Greenland LLC Portsmouth, NH

Prepared by:

Camp Dresser & McKee, Inc.

Cambridge, MA

Dated:

October 2008

Full size copies of Exhibit A on file at:

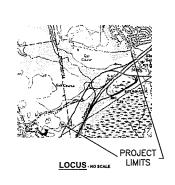
City of Portsmouth Public Works Department &

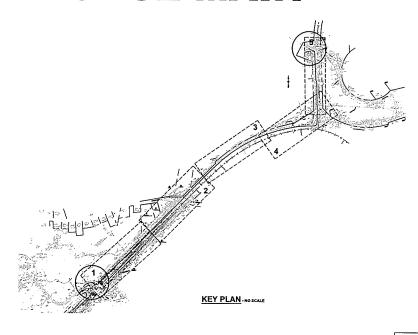
New Hampshire Department of Environmental Services

(DES File No. WWEB Project No. D2008-0910)

PDNED GREENLAND LLC PORTSMOUTH, NEW HAMPSHIRE

GREENLAND PUMPING STATION FORCE MAIN





LIST OF DRAWINGS

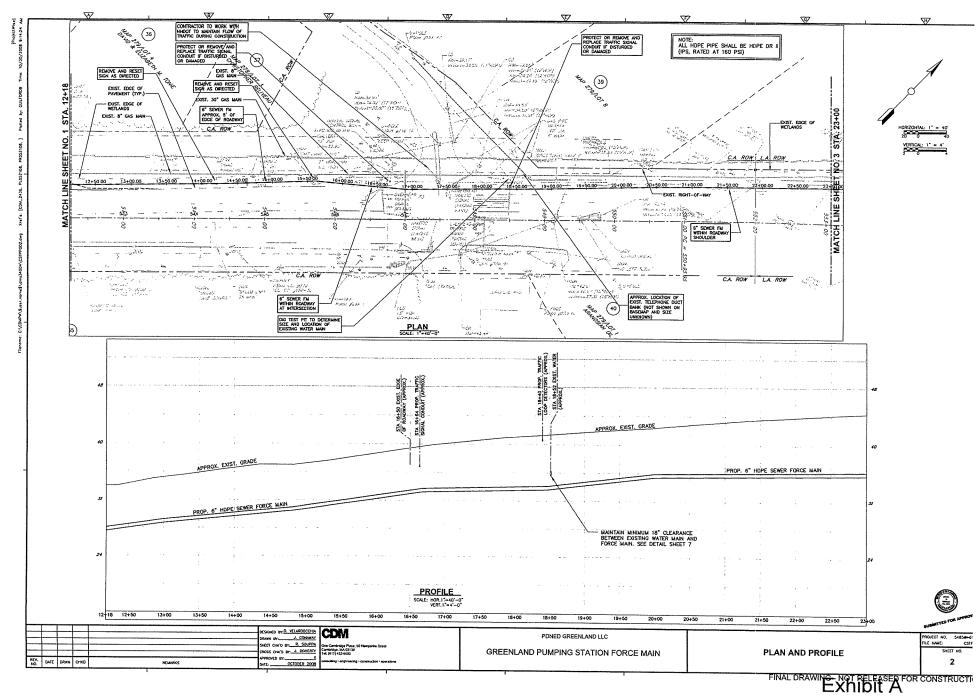
- 1. PLAN & PROFILE
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- 3. PLAN & PROFILE
- 4. PLAN & PROFILE
- 5. PLAN & PROFILE 6. DETAILS I
- 7. DETAILS II

OCTOBER 2008

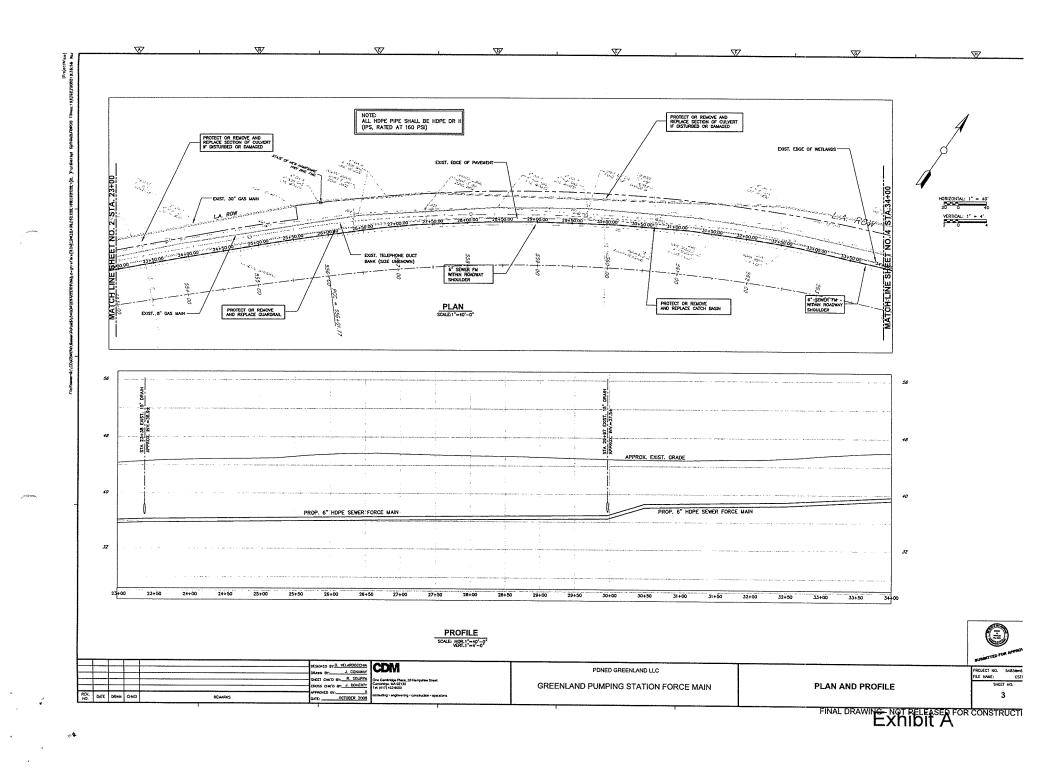
CDM Camp Dresser & McKee Inc. **CAMBRIDGE, MASSACHUSETTS**

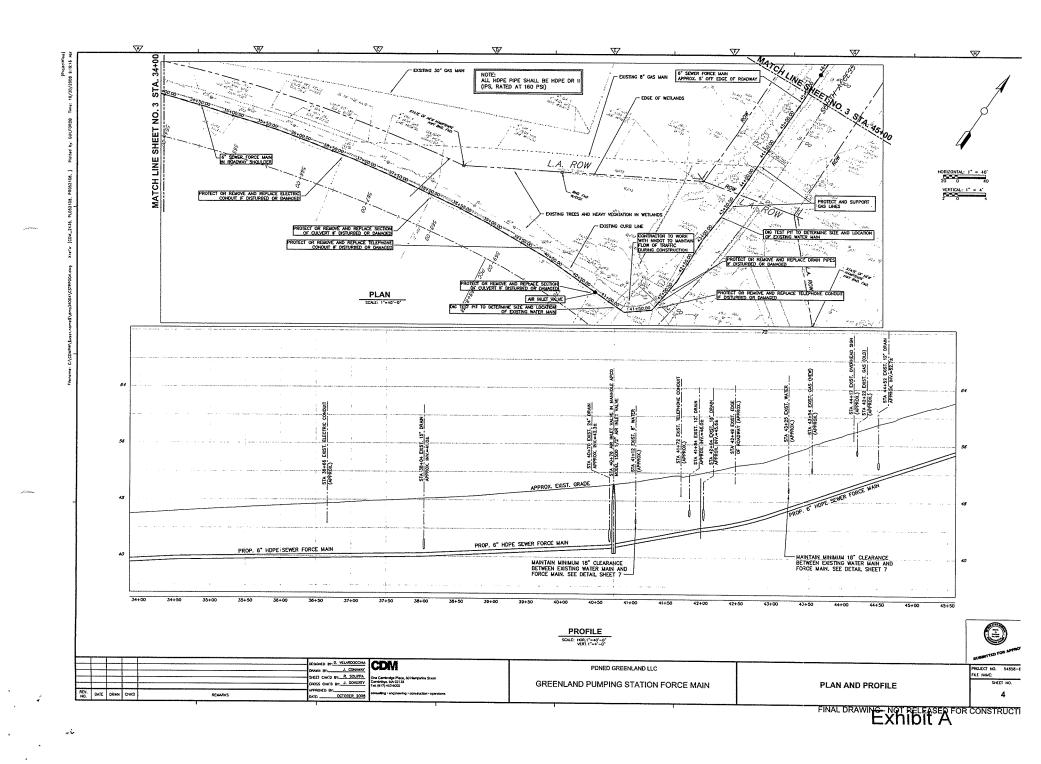
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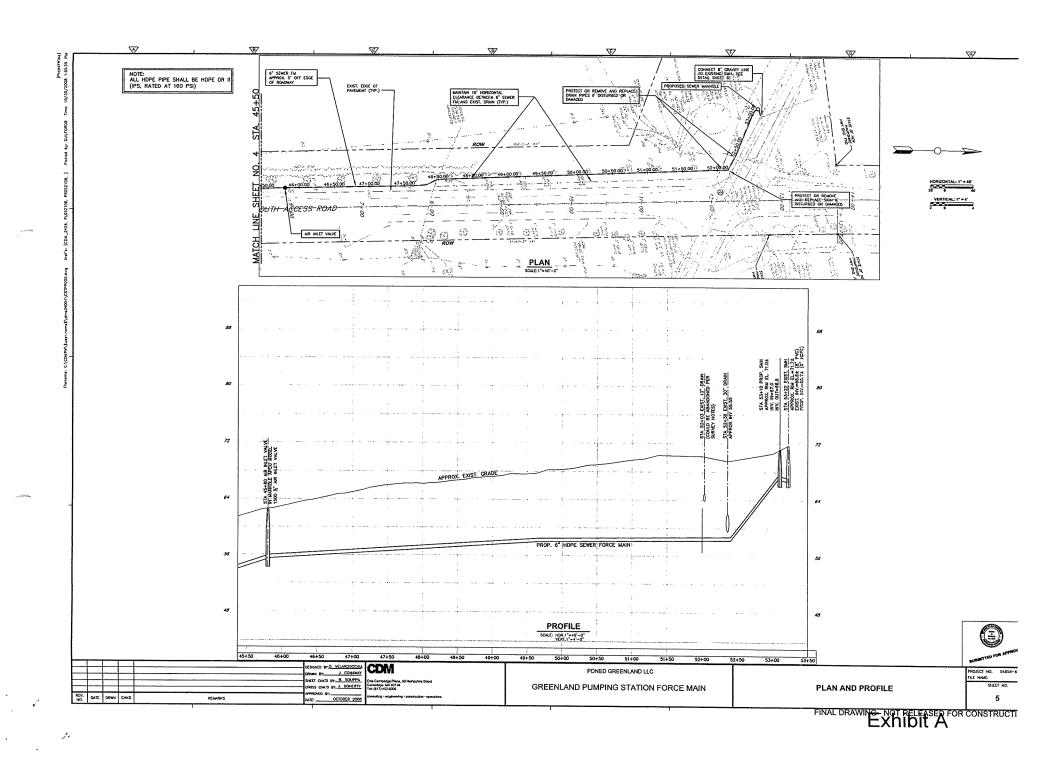
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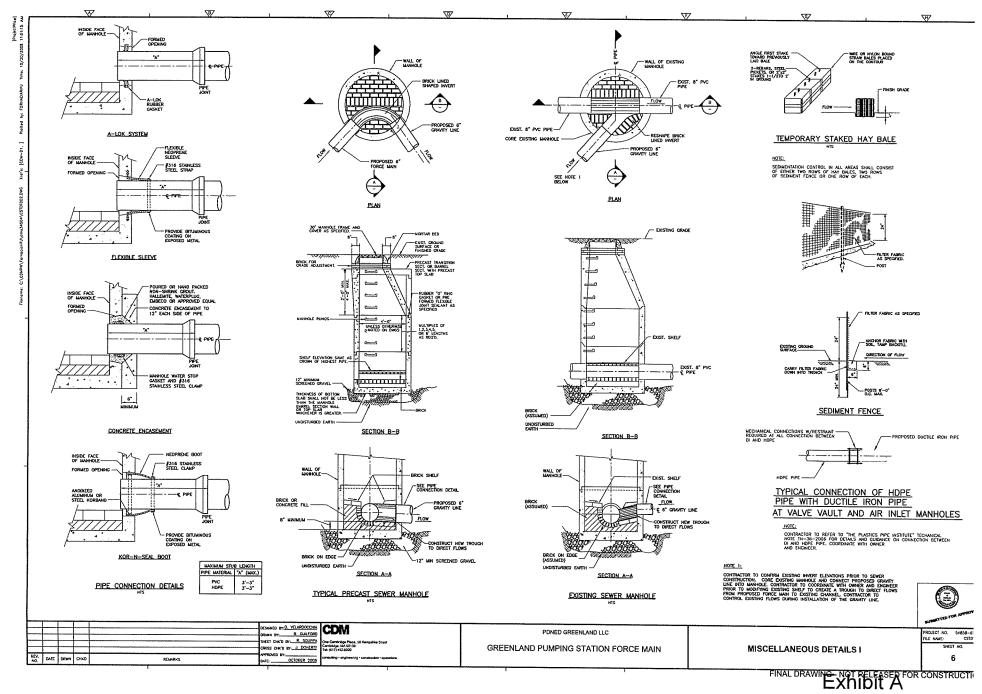


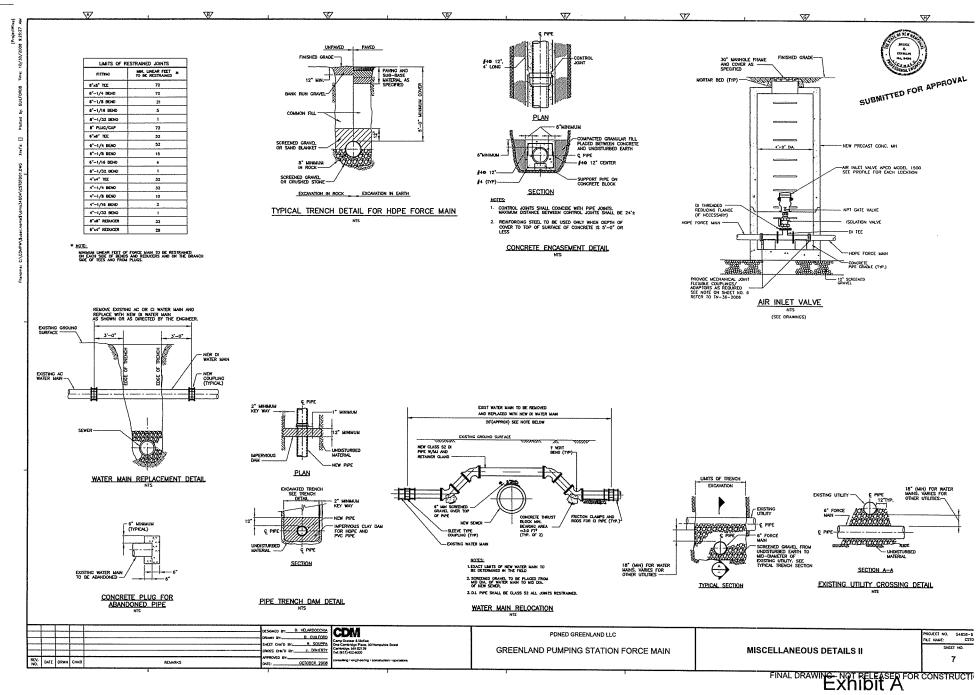
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d.

EXHIBIT B

PAYMENT SCHEDULE

Year *	Amount
2009	\$100,000
2010	\$123,905
2011	\$123,905
2012	\$123,905
2013	\$123,905
2014	\$123,905
2015	\$123,905
2016	\$123,905
2017	\$123,905
2018	\$123,905

^{*} First payment is due thirty days after issuance of first Certificate of Occupancy by Town of Greenland and annually thereafter on or before the same day.

EXHIBIT C

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MORTGAGE

KNOW ALL PERSONS BY THESE PRESENTS that PDNED Greenland LLC, a Delaware limited liability company having a principal place of business at and mailing address of care or Packard Development, LLC, One Wells Avenue, Newton, Massachusetts 02459 (hereinafter collectively with its successors, legal representatives and assigns referred to as the "Mortgagor") for consideration paid by the City of Portsmouth, a New Hampshire municipal corporation having a principal place of business at and mailing address of One Junkins Avenue, Portsmouth, New Hampshire 03801 (hereinafter collectively with its successors, legal representatives, and assigns, referred to as the "Mortgagee"), the receipt and sufficiency of which Mortgagor does hereby acknowledge, hereby grants to Mortgagee, with Mortgage Covenants, to secure the:

- A. Payment of the principal sum of One Million Dollars (\$1,000,000.00), together with interest thereon provided for in Paragraph 9 of a certain Agreement for Sewer Service dated as of June 1, 2009, by and between Mortgagor and Mortgagee (the "Agreement"), when and in the manner required thereby;
- B. Payment of all sums now or hereafter advanced by the Mortgagee in accordance herewith to protect the security of this Mortgage with interest thereon as provided for hereinafter; the premises located in Greenland and Portsmouth, as more particularly described in Schedule A attached hereto and incorporated herein by reference (the "Mortgaged Premises").

Together with all and singular of the tenements, hereditaments, easements, rights of way, licenses, profits privileges and other appurtenances belonging, relating or pertaining to the Mortgaged Premises.

AND for the consideration aforesaid, Mortgagor hereby releases, discharges and waives all rights of exemption from attachment and levy or sale on execution and all other rights of any and every nature whatsoever in and to the Mortgaged Premises and in each and every portion thereof as are or may hereafter be reserved, secured or afforded Mortgagor under, or by virtue of the laws of the State of New Hampshire or the United States of America including, without limiting the generality of the foregoing, any exemptions now or hereafter available to Mortgagor

under Section 522 of the federal Bankruptcy Code of 1978, 11 USC § 522, as such statute now exists or is amended hereafter, or any successor statute of similar import (the "Bankruptcy Code"), or any successor statute or similar import and all other rights, title and interests of any and every nature whatsoever of Mortgagor in and to the Mortgaged Premises.

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SECTION 1 Additional Security

- 1.01 As security for the payment and performance of the obligations and agreements secured hereby, Mortgagor hereby collaterally assigns, transfers and sets over unto Mortgagee, Mortgagor's rights to be contained in the Declaration of Greenland Meadows Condominium (the "Declaration") to create Unit 3 and convert the Convertible Land 3 into Unit 3, all as more particularly described in the Declaration which is to be recorded in the Rockingham County Registry of Deeds; provided, however, that so long as Mortgagor is not in default hereunder then Mortgagor shall have the right to exercise its rights as Declarant under the Declaration and to create Unit 3 and convert the convertible area into Unit 3.
- 1.02 Collaterally assigns, transfers, and sets over unto Mortgagee all leases of, and rental agreements pertaining to Convertible Land 3 and/or Unit 3, including but not limited to a Ground Lease to the Stop & Shop Supermarket Company, LLC dated December 8, 2006, together with all of Mortgagor's rights, title, and interests as lessor thereunder, and, in furtherance of this assignment, Mortgagor agrees not to cancel, accept a surrender of, reduce the rent payable under or term of, or otherwise amend any such lease in any respect which would adversely affect the Mortgagee without Mortgagee's prior, written consent. Nothing herein shall obligate Mortgagee to perform the duties and obligations of Mortgagor as lessor under any such lease; all of which duties and obligations, Mortgagor hereby covenants and agrees to punctually and completely perform.

SECTION 2 Mortgagor's Continuing Warranties

In addition to Mortgagor's representations and warranties which are included within the term Mortgage Covenants and incorporated herein by operation of law, Mortgagor acknowledges, represents and warrants to Mortgagee that:

- 2.01 Mortgagor is a limited liability company duly organized and validly existing under the laws of the State of Delaware and is duly authorized to conduct its business and own its property in the State of New Hampshire.
- 2.02 Mortgagor has fully power and authority to enter into this Mortgage and the Agreement and to incur the obligations provided for herein and in the Agreement, all of which have been duly authorized by all proper and necessary entity action.

SECTION 3 Certain Covenants of Mortgagor

Mortgagor further covenants and agrees with Mortgagee as follows:

- 3.01 Mortgagor will pay the obligations hereby secured and interest thereon and all other sums becoming due or recoverable thereunder as, when and in the manner required hereby.
- 3.02 Mortgagor: (i) will not suffer any strip or waste of the Mortgaged Premises; (ii) shall keep and maintain the Mortgaged Premises in such repair and condition as the same now exist or as bettered hereafter and shall keep the Mortgaged Premises in good working condition, reasonable wear and tear and damage from insured casualties excepted; and (iii) has complied and will comply at all times hereafter with any and all federal and state statutes, local laws and ordinances and administrative regulations promulgated under any of the foregoing which govern, restrict or regulate the use or occupation or the manner of use or occupation of the Mortgaged Premises including, without limitation, building, fire, planning, subdivision and zoning laws, codes and regulations.
- 3.03 Mortgagor will pay or cause to be paid, when due, all taxes, condominium assessments, special assessments, utility rates, water and sewerage charges, insurance premiums on policies of insurance required hereunder and all other charges of any and every nature whatsoever which at any time are assessed or levied against or upon the Mortgaged Premises (the "Charge(s)"). Mortgagee may pay all, or any, portion of any such Charges together with any interest or penalties thereon, but in no event shall be obligated to do so. In the event that Mortgagee shall pay all, or any portion of any such Charges, the amount so paid by Mortgagee shall be secured hereby, payable on demand and, until so paid by Mortgagor, shall bear interest at a variable rate of interest equal to the Prime Rate as published by the Wall Street Journal plus two percent (2%) (the "Default Rate").
- 3.04 In the event the Condominium Unit Owner's Association fails to do so, Mortgagor shall or shall cause its tenant to procure, pay the premiums on and maintain in full force and effect at all times a policy of Comprehensive Public Liability Insurance naming Mortgagee as an additional named insured providing coverage in amounts not less than \$1,000,000.00 per each occurrence. All insurance now or hereafter required to be procured, paid for and maintained under this Mortgage shall be effected by valid and enforceable policies of insurance issued by insurers authorized to transact business within the State of New Hampshire. Mortgagor will deliver to Mortgagee, a true and complete duplicate of each policy of insurance required hereunder or a Certificate of Insurance establishing the issuance and existence thereof. Not later than ten (10) days prior to the expiration date of any such policy of insurance, Mortgagor will deliver to Mortgagee, at Mortgagee's option, an original renewal or replacement policy thereof or a true and complete duplicate thereof or a Certificate of Insurance establishing the issuance and existence thereof.
- 3.05 Mortgagor will pay, when due all assessments imposed by the Unit Owner's Association.

3.06 Mortgagee, acting by and through officers, employees and agents, may come upon, and enter the Mortgaged Premises at reasonable times and upon reasonable advance notice for the purpose of inspecting the same.

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- 3.7 If any action or proceeding be commenced, except an action to foreclose this Mortgage or to collect the indebtedness hereby secured, to which Mortgagee is made a party by reason of the execution of this Mortgage or the Agreement or in which it becomes necessary to defend or uphold the validity, enforceability or priority of this Mortgage, all costs, expenses, judgments, decrees, orders and damages incurred by, or rendered or awarded against Mortgagee including, without limitation, attorneys' fees in, or as a result of any such litigation will be paid by Mortgagor together with interest thereon from date of payment at the Default Rate, and any such sum and the interest thereon shall be payable on demand, secured hereby and have the benefit of the lien hereby created and its priority.
- 3.8 Within ten (10) days after being requested to do so by the other, Mortgagee and Mortgagor, as the case may be, will furnish a duly acknowledged, written statement setting forth the amount of the debt secured by this Mortgage, and stating either that no offsets, counterclaims, recoupments or defenses exist to, or against such debt or, if such offsets, counterclaims, recoupments or defenses are alleged to exist, the nature and amount thereof.
- 3.9 Mortgagor shall not, except after notice to Mortgagee and with Mortgagee's prior written consent, partition or subdivide the Mortgaged Premises or consent to:
- (a) the abandonment or termination of the Condominium, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- (b) any material amendment to the Declaration of Condominium (other than an amendment to create Units 1 and 3) or the Bylaws, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Condominium.

SECTION 4 Events of Default

The Mortgagor further covenants and agrees that the occurrence of any one or more of the following events shall constitute a default hereunder:

- 4.01 Any default by Mortgagor in paying any installment due Mortgagee under the terms, conditions and covenants of Paragraph 9 of the Agreement as, when and in the manner required thereby which is not cured within such grace period as may be afforded with respect to such default under the terms of the Agreement, if any.
- 4.02 Any other breach of, or default under any one or more of the statutory conditions or the representations, warranties, terms, conditions or covenants of this Mortgage, which is not cured within thirty (30) days from the date of such breach or default; provided, however, in the

event any such breach or default is not capable of being cured within thirty (30) days, then Mortgagor shall have an additional period of time to effectuate a cure or remedy (but not exceeding 90 days), provided that Mortgagor is diligently and continuously pursuing a cure or remedy.

SECTION 5 Effect of an Event of Default

Upon the occurrence of any Event of Default hereunder and at all times thereafter until Mortgagee shall have executed a written waiver of such Event of Default, Mortgagee, at Mortgagee's option, may:

- 5.01 Declare the entire unpaid balance due under Paragraph 9 of the Agreement including, without limitation, principal and accrued interest immediately due and payable in full without notice or demand of any nature whatsoever.
- 5.02 Exercise the statutory power of sale hereinafter granted to Mortgagee or any other right, privilege or remedy available to the Mortgagee hereunder or under any statute or rule of law or equity; all of which are cumulative and may be exercised by their Mortgagee singly, concurrently or successively at the Mortgagee's option, and as often as the occasion therefor shall occur in Mortgagee's opinion.

SECTION 6 Statutory Conditions and Power of Sale

This Mortgage is upon the statutory conditions, as well as the terms, conditions and covenants contained herein for any breach of which Mortgagee shall, in addition to all other rights and powers granted or given hereunder, have the statutory power of sale.

SECTION 7 Conduct of Foreclosure Sale and Marshalling Waiver

And it is agreed that if Mortgagee elects to exercise the statutory power of sale herein granted to Mortgagee by Mortgagor, Mortgagee may (subject only to the provisions of RSA 479 or any successor statute of similar import then in effect which governs the foreclosure of New Hampshire mortgages):

- 7.01 Hold any foreclosure sale of the Mortgaged Premises at a public auction or auctions held on the Mortgaged Premises or the common area appurtenant thereto.
- 7.02 Apply the proceeds of any foreclosure sale of all, or any portion of the Mortgaged Premises to the payment of (i) all costs and expenses thereof, including, but not limited to, attorney's, appraiser's and auctioneer's fees and advertising costs, (ii) the obligation of Mortgagor to Mortgagee secured by this Mortgage including, without limitation, the indebtedness evidenced by, or arising under Paragraph 9 of the Agreement, in such order of preference and priority as

Mortgagee deems appropriate, and (iii) pay over any remaining balance of such proceeds to Mortgagor or for Mortgagor's account.

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SECTION 8 Miscellaneous

In the interpretation of this Mortgage, the following definitions and rules of construction shall apply unless the context of a provision otherwise specifies:

- 8.01 The terms "Mortgage Covenants", "statutory conditions" and "statutory power of sale" shall have the same meaning as attributed to such terms by RSA 477:29 (2d ed. 1968).
- 8.02 No delay, failure, omission or refusal on the part of Mortgagee in exercising any privilege, remedy or right against Mortgager or any other party or which are available to Mortgagee under the terms of this Mortgage or the Agreement or any statute, equitable doctrine or rule of law shall operate as, or be deemed to be a waiver thereof. No waiver of any such privilege, remedy or right against Mortgagor or any other party shall be effective unless made in a written instrument which has been signed by Mortgagee. An effective, written waiver by Mortgagee of any privilege, remedy or right against Mortgagor or any other party on one occasion shall not bar, or be deemed to preclude the exercise of such privilege, remedy or right by Mortgagee in the future should the occasion therefor occur.
- 8.03 Any undefined word, term, or phrase which is used herein and defined in the New Hampshire Uniform Commercial Code, RSA Chapter 21 of the New Hampshire Revised Statutes Annotated, <u>as amended</u>, shall have the meaning stated therein.
- 8.04 All of the words, terms and phrases in this Mortgage, regardless of the number and gender in which used, shall be construed to include any other number (singular or plural) and any other gender (masculine, feminine or neuter) as the context of any provision hereof may require the same as had any such word, term or phrase been fully and properly written in number and gender.
- 8.05 The provisions of this Mortgage are severable, such that if any provision, condition or covenant hereof shall be declared invalid, void or unenforceable by any court of competent jurisdiction, the remainder hereof shall be unaffected thereby.

This Mortgage shall be binding upon Mortgagor and Mortgagor's successors, legal representatives and assigns and inure to the benefit of Mortgagee and its successors, legal representatives and assigns.

IN WITNESS WHEREOF, PDNED Greenland LLC has caused this Mortgage to be executed by its undersigned officer hereunto duly authorized, as of this the first day of June, 2009.

PDNED Greenland LLC By its Manager, PDNED Manager LLC a Delaware limited liability company Armen Aftandilian, a Manager The foregoing instrument was acknowledged before me this ___ day of _____ 2009, by Armen Aftandilian, a Manager of PDNED Manager LLC, as Manager of PDNED Greenland LLC, a Delaware limited liability company, on behalf of the company.

Justice of the Peace/Notary Public

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COMMONWEALTH OF MASSACHUSETTS

COUNTY OF MIDDLESEX

SCHEDULE A

Legal description

MUNICIPAL LIEN AGREEMENT

This Agreement made as of the first day of January, 2008, by and between *PDNED Greenland LLC*, a Delaware limited liability company, having a principal place of business at and a mailing address of c/o Packard Development, One Wells Avenue, Newton, Massachusetts 02459 (hereinafter referred to as "PDNED") and the *City of Portsmouth*, a municipal corporation organized and existing under the laws of the State of New Hampshire, having a principal place of business at and a mailing address of City Hall, One Junkins Avenue, Portsmouth, New Hampshire 03801.

RECITALS

WHEREAS, PDNED has acquired fee simple title to certain tracts of land located in the Town of Greenland and the City of Portsmouth, Rockingham County, State of New Hampshire, said parcels being more particularly described in Exhibit A attached hereto (the "Property") and intends to construct a three building retail development on that portion of the Property which is situated in the Town of Greenland (the "Project"); and

WHEREAS, there currently does not exist an Inter-Municipal Agreement between the City of Portsmouth and the Town of Greenland with respect to the provision of sewer service by Portsmouth to properties located in the Town of Greenland and consequently, PDNED and Portsmouth have simultaneously with the execution of this Agreement entered into an Agreement Between City of Portsmouth and PDNED Development for Sewer Service, Greenland, NH (the "Sewer Agreement") permitting the Project to dispose of its sanitary sewerage into the Portsmouth municipal system; and

WHEREAS, New Hampshire Revised Statutes Annotated Chapter 149-I:11 provides that in the collection of sewer charges, municipalities shall have the same liens and use the same collection procedures as are authorized by RSA 38:22 which provides, in part, that all charges for services furnished to patrons by a municipality owned utility shall create a lien upon the real estate where such services are furnished and further provides that upon non-payment of such municipal charges, the Tax Collector of the municipality may enforce the lien and collect the charges in the same manner as the Tax Collector may collect and enforce the lien for real estate taxes; and

WHEREAS, New Hampshire law provides that the municipal lien for real estate taxes and municipal charges is a first priority lien which supersedes and has priority over prerecorded mortgages; and

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WHEREAS, doubt exists as to the ability of a tax collector in one municipality to enforce a lien on property in another municipality in the absence of an Inter-Municipal Agreement; and

WHEREAS, Portsmouth desires to be assured that Portsmouth's lien for the provision of municipal sewer service to the Project has the same priority and Portsmouth has the same enforcement rights as would be available to Portsmouth if the Project were located in Portsmouth and not in Greenland; and

WHEREAS, PDNED desires to confirm to Portsmouth that Portsmouth's lien for the provision of sewer services shall be a first priority lien on the Property.

NOW, THEREFORE, in consideration of the execution and delivery of the Sewer Agreement and in further consideration of the provision of sewer service to the Property, PDNED hereby grants to the City of Portsmouth, with mortgage covenants, to secure any and all obligations of PDNED, its successors and assigns, pursuant to a Sewer Agreement (other than the agreement set forth in Paragraph 9 of the Sewer Agreement to pay the access fee of One Million Dollars (\$1,000,000.00) plus interest for which separate security is being provided) (the "Obligations"), a lien upon the real estate described as follows:

Those certain tracts or parcels of land, with any improvements now or hereafter situated thereon, lying and being situated in the Town of Greenland and the City of Portsmouth, County of Rockingham, State of New Hampshire, being more particularly bounded and described in Exhibit A attached hereto and made a part hereof.

The lien granted hereby is upon the condition that PDNED shall pay and perform all of the Obligations and is also upon the statutory conditions, for any breach of which Portsmouth shall have the statutory power of sale. Advertising of any foreclosure shall be in a newspaper published in Rockingham County. The proceeds of any such sale shall be charged with the expenses thereof, including reasonable attorneys' fees. PDNED shall pay to Portsmouth all costs of collections, including reasonable attorneys' fees, in the event foreclosure proceedings are commenced and completed or in the event foreclosure proceedings are commenced in good faith and discontinued.

IN WITNESS WHEREOF, PDNED Greenland LLC has caused this Municipal Lien Agreement to be executed as of this the Att day of January, 2008, by its undersigned manager, hereunto duly authorized. PDNED GREENLAND LLC A Delaware limited liability company Armen Aftandilian, a Manager The foregoing Municipal Lien Agreement is accepted and the provisions hereof agreed to by the City of Portsmouth as of the // day of January, 2008. CITY OF PORTSMOUTH COMMONWEALTH OF MASSACHUSETTS COUNTY OF MIDDLESEX On this, the Au day of January, 2008, personally appeared Armen Aftandillar, being the Manager of PDNED Greenland LLC, a New Hampshire limited liability company; acknowledged the foregoing on behalf of the company. Before me, Notary Public My Commission Expire COMMONWEALTH OF MASSACHUBETTS STATE OF NEW HAMPSHIRE COUNTY OF ROCKINGHAM On this, the // day of January, 2008, personally appeared John P. Bonenko being the (1,14 Manager of the City of Portsmouth, a municipal corporation organized and existing under the laws of the State of New Hampshire, and acknowledged the foregoing on behalf of the City. COMMISSION
EXPIRES
JANUARY 15
2008
HAMPSHILL
AMPHILL
A

44784/MunicipalLienAgmt

Before me,

Notary Public

My Commission Expires:

Survey of the state of the stat

EXHIBIT A

LEGAL DESCRIPTION

A PARCEL OF LAND WITH THE BUILDINGS THEREON, SITUATED IN THE TOWN OF GREENLAND AND CITY OF PORTSMOUTH, ROCKINGHAM COUNTY, STATE OF NEW HAMPSHIRE AND BOUNDED AND DESCRIBED AS FOLLOWS:

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BEGINNING AT A POINT AT THE INTERSECTION OF THE WESTERLY SIDELINE OF ROUTE 33 AND THE NORTHERLY SIDELINE OF LAND OF THE B & M RAILROAD, THENCE;

S 73° 01'45" W, ALONG SAID RAILROAD LAND, A DISTANCE OF 960.81', MORE OR LESS, TO A POINT IN A STONE WALL AT LAND NOW OR FORMERLY OF NOEL HICKEY AND GEORGETTE GOODMAN, THENCE;

N 4° 16' 34" E, ALONG SAID STONE WALL AND HICKEY/GOODMAN LAND, A DISTANCE OF 53.48', MORE OR LESS, TO A POINT, THENCE;

N 7° 05' 27" E, ALONG SAID STONE WALL, HICKEY/GOODMAN LAND AND LAND NOW OR FORMERLY OF JOHN AND ERICA COOMBS, A DISTANCE OF 255.29', MORE OR LESS, TO A POINT, THENCE;

N 9° 34' 10" E, ALONG SAID STONE WALL AND SAID COOMBS LAND, PASSING THROUGH A DRILL HOLE IN SAID WALL, A DISTANCE OF 106.97', MORE OR LESS, TO THE CENTERLINE OF PICKERING BROOK, THENCE;

MEANDERING NORTHWESTERLY ALONG THE CENTERLINE OF SAID PICKERING BROOK, A DISTANCE OF 1,475', MORE OR LESS, TO A POINT ON THE SOUTHERLY SIDELINE OF PORTSMOUTH AVENUE AND NEAR THE END OF A STONE CULVERT, THENCE;

N 46° 11' 26" E, ALONG SAID PORTSMOUTH AVENUE, A DISTANCE OF 93.38', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF GEORGE AND JUANITA SAUNDERS, THENCE:

ALONG SAID SAUNDERS LAND BY THE FOLLOWING COURSES: S 23° 45' 46" E, A DISTANCE OF 124.57', MORE OR LESS, TO AN IRON PIPE, THENCE; N 62° 46' 07" E, A DISTANCE OF 100.12', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF PINE REALTY TRUST, THENCE;

ALONG SAID TRUST LAND BY THE FOLLOWING COURSES: S 23° 36' 28" E, A DISTANCE OF 100.00', MORE OR LESS, TO A POINT, THENCE; N 66° 15' 57" E, A DISTANCE OF 150.33', MORE OR LESS, TO AN IRON PIPE, THENCE; N 23° 51' 48" W, A DISTANCE OF 225.00', MORE OR LESS, TO AN IRON PIPE ON THE SOUTHERLY SIDELINE OF SAID PORTSMOUTH AVENUE, THENCE;

N 62° 28' 13" E, ALONG SAID PORTSMOUTH AVENUE, A DISTANCE OF 258.90', MORE OR LESS, TO A DRILL HOLE AT LAND NOW OR FORMERLY OF JOHN AND LISA STAPLES, THENCE;

ALONG SAID STAPLES LAND BY THE FOLLOWING COURSES: S 26° 54' 21" E, A DISTANCE OF 200.00', MORE OR LESS, TO A POINT, THENCE;

N 62° 50' 39" E, A DISTANCE OF 100.00', MORE OR LESS, TO A POINT; THENCE S 26° 47' 21" E, A DISTANCE OF 100.00', MORE OR LESS, TO A POINT, AT LAND NOW OR, FORMERLY OF DAWN AND LEO CARON, THENCE;

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S 26° 47' 21" E, ALONG SAID CARON LAND, A DISTANCE OF 100.00', MORE OR LESS, TO A POINT, THENCE;

N 63° 05' 39" E, ALONG SAID CARON LAND AND LAND NOW OR FORMERLY OF ROBERT AND MARY MCDONOUGH, A DISTANCE OF 174.60', MORE OR LESS, TO A POINT, THENCE;

ALONG SAID MCDONOUGH LAND BY THE FOLLOWING COURSES: S 26° 53' 26" E, A DISTANCE OF 99.64', MORE OR LESS, TO A CONCRETE BOUND, THENCE; N 73° 28' 02" E, A DISTANCE OF 175.69', MORE OR LESS, TO A POINT, THENCE; S 87° 42' 36" E, A DISTANCE OF 385.79', MORE OR LESS, TO AN IRON PIPE, THENCE; N 0° 01' 38" W, A DISTANCE OF 494.63', MORE OR LESS, PASSING THROUGH AN IRON PIPE, TO A POINT ON THE SOUTHERLY SIDELINE OF SAID PORTSMOUTH AVENUE, THENCE;

S 87° 57' 43" E, ALONG SAID PORTSMOUTH AVENUE, A DISTANCE OF 49.39', MORE OR LESS, TO AN IRON PIPE AND LAND NOW OR FORMERLY OF JANET AND BRIAN GOEDDEKE, THENCE:

S 0° 22' 10" E, ALONG SAID GOEDDEKE LAND, A DISTANCE OF 101.07', MORE OR LESS, TO AN IRON PIPE, THENCE;

S 87° 49' 26" E, ALONG SAID GOEDDEKE LAND AND LAND NOW OR FORMERLY OF THE JUDITH A. MELLO TRUST, A DISTANCE OF 223.48', MORE OR LESS, TO A POINT AT LAND NOW OR FORMERLY OF RICHARD TAYLOR, THENCE;

ALONG SAID TAYLOR LAND BY THE FOLLOWING COURSES: S 1° 29' 43" W, A DISTANCE OF 50.11', MORE OR LESS, TO AN IRON PIPE, THENCE; N 86° 39' 12" E, A DISTANCE OF 111.62', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF MICHAEL BUNKER, THENCE;

ALONG BUNKER LAND BY THE FOLLOWING COURSES: S 3° 31' 06" E, A DISTANCE OF 50.23', MORE OR LESS, TO AN IRON PIPE, THENCE; N 86° 49' 58" E, A DISTANCE OF 100.02', MORE OR LESS, TO AN IRON PIPE, THENCE; N 3° 09' 04" W, A DISTANCE OF 99.96', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF ROBERT FURINA, THENCE;

ALONG SAID FURINA LAND BY THE FOLLOWING COURSES: N 86° 47' 39" E, A DISTANCE OF 50.50', MORE OR LESS, TO A POINT, THENCE; N 79° 02' 23" E, A DISTANCE OF 100.07', MORE OR LESS, TO A POINT, THENCE;

N 67° 53' 40" E, ALONG SAID FURINA LAND, PASSING THROUGH AN IRON PIN AT LAND NOW OR FORMERLY OF JEFFREY AND KATHLEEN GRAVES AND PASSING THROUGH A REBAR FOUND AT LAND NOW OR FORMERLY OF ROBERT AND THERESA KRASKO, A DISTANCE OF 234.70', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF RANSOM, JR. AND RUTH CARLTON, THENCE;

ALONG SAID CARLTON LAND BY THE FOLLOWING COURSES:

S 22° 24' 08" E, A DISTANCE OF 100.34', MORE OR LESS, TO AN IRON PIPE, THENCE; N 67° 54' 38" E, A DISTANCE OF 100.70', MORE OR LESS, TO A WOODEN STAKE AT LAND NOW OR FORMERLY OF MARILYN TWOMBLY, THENCE;

ALONG SAID TWOMBLY LAND BY THE FOLLOWING COURSES: S 21° 55' 52" E, A DISTANCE OF 16.40', MORE OR LESS, TO AN IRON PIPE, THENCE; N 10° 23' 46" E, A DISTANCE OF 105.16', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF MICHAEL AND MONIQUE SHELVIN, THENCE;

ALONG SAID SHELVIN LAND AND CROSSING INTO THE CITY OF PORTSMOUTH, BY THE FOLLOWING COURSES:

N 81° 32' 49" E, A DISTANCE OF 162.59', MORE OR LESS, TO AN IRON PIPE, THENCE; N 1° 41' 27" W, A DISTANCE OF 149.18', MORE OR LESS, TO A POINT ON THE SIDELINE OF SAID PORTSMOUTH AVENUE, THENCE;

ALONG SAID PORTSMOUTH AVENUE BY THE FOLLOWING COURSES: N 80° 41' 38" E, A DISTANCE OF 2.76', MORE OR LESS, TO A POINT, THENCE; N 82° 15' 38" E, A DISTANCE OF 58.89', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF ROBERT AND RUTH KEENE, THENCE;

ALONG SAID KEENE LAND BY THE FOLLOWING COURSES: S 1° 53' 18" E, A DISTANCE OF 100.14', MORE OR LESS, TO AN IRON PIPE, THENCE; N 82° 40' 00" E, A DISTANCE OF 102.80', MORE OR LESS, TO AN IRON PIPE AT LAND NOW OR FORMERLY OF DAVID AND ELIZABETH TONIE, THENCE;

S 1°59' 59" E, ALONG SAID TONIE LAND, A DISTANCE OF 296.45', MORE OR LESS, TO AN IRON PIPE ON THE NORTHWESTERLY SIDELINE OF ROUTE 33, THENCE;

ALONG SAID ROUTE 33 BY THE FOLLOWING COURSES: S 45° 09' 26" W, A DISTANCE OF 95.18', MORE OR LESS, TO A POINT, THENCE; S 44° 50' 34" E, A DISTANCE OF 50.00', MORE OR LESS, TO A POINT, THENCE; S 45° 09' 26" W, PASSING THROUGH A CONCRETE BOUND AND RAILROAD SPIKE, A DISTANCE OF 1,725.50', MORE OR LESS, TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS APPROXIMATELY 2,437,039 SF (APPROXIMATELY 55.947 ACRES)

EXHIBIT E

FORM OF NOTICE FOR APPROVAL OF ASSIGNMENT

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Attenti One Ju	f Portsmouth ion: City Manager inkins Avenue iouth, NH 03801	
Re:	Request for Approval of Assignment Pursua City of Portsmouth and PDNED Greenland, "Agreement")	ant to Paragraph 19 of "Agreement Between LLC for Sewer Service, Greenland, NH" (the
Dear C	City Manager:	
	Pursuant to Paragraph 19 of the Agreement, the	is requests approval of the following assignment:
(60) da	Pursuant to Paragraph 19 of the Agreement, fairys of receipt of this notice shall mean that the re	lure of the City to respond in writing within sixty quest stated above is deemed approved.
	Thank you for your attention.	
		Very truly yours,
•		PDNED GREENLAND, LLC
		By:, Duly Authorized

City Attorney, City of Portsmouth Director of Public Works, City of Portsmouth cc:

PDNED Greenland LLC

 $Fellman\ Law\ Group,\ PC\\ S:\ PA-PL\ Packard\ Development\ Granite\ State\ Gas\ Action\ Exhibit\ E-\ Notice\ re\ assignment. doc$