



Terms and Conditions for Third-Party Subordinate Mortgages

1. This mortgage is subordinate to the first mortgage lien of the Massachusetts Housing Finance Agency (“MassHousing”), its successors and assigns, in all respects, and *[Subordinate Mortgagee]* expressly waives its right to commence lien enforcement or foreclosure proceedings without the prior written consent of MassHousing so long as either the MassHousing mortgage or any bond, note or other source from which the mortgage loan of MassHousing was funded is still outstanding;
2. MassHousing and Borrower may amend the MassHousing mortgage without the approval of *[Subordinate Mortgagee]* so long as the principal balance does not exceed the original principal amount and the interest rate is not increased; however, the consent of *[Subordinate Mortgagee]* shall be required for any amendment which could materially adversely affect the security interest of *[Subordinate Mortgagee]*, which consent shall not be unreasonably withheld;
3. All rights (including assignment of leases and rents and rights with respect to insurance proceeds and condemnation awards) given to *[Subordinate Mortgagee]* shall be subordinate to MassHousing's rights and MassHousing's mortgage;
4. The subordinate mortgage is subject and subordinate to any and all advances made, and expenses incurred, with interest thereon, as permitted by MassHousing's mortgage;
5. *[Subordinate Mortgagee]* shall be bound by any determination by MassHousing to release insurance proceeds and condemnation awards for restoration;
6. *[Subordinate Mortgagee]* must follow the lead of MassHousing in giving non-disturbance agreements to tenants;
7. *[Subordinate Mortgagee]* may not acquire, by subrogation or subordination (for example, by payment of real estate taxes) or otherwise, any lien, estate, right or other interest in the project that is, or may be, prior in right to that of MassHousing.
8. *[Subordinate Mortgagee]* shall give MassHousing written notice of any default by [Borrower].
9. If *[Subordinate Mortgagee]* brings a foreclosure proceeding, no action shall be taken that would terminate any of the leases without the prior written consent of MassHousing.
10. If MassHousing forecloses, all rents, issues and profits from the development shall first go to MassHousing.
11. The purchaser of the project at a foreclosure sale shall be subject to the approval of MassHousing, which shall not be unreasonably withheld.
12. Any such approved purchaser shall be required by *[Subordinate Mortgagee]* as a condition of sale to assume Borrower's obligations under the MassHousing mortgage.

The foregoing provisions shall inure to the benefit of MassHousing, (and, if applicable, the Secretary of Housing and Urban Development, as insurer of the Loan), and the following, as successors and assigns of MassHousing: (i) any trustee of the financing source issued to fund the mortgage loan secured by the MassHousing mortgage or any debt which refinances such financing source; (ii) any successor agency or instrumentality of The Commonwealth of Massachusetts that succeeds to the functions of MassHousing; and (iii) any state, federal or other public or quasi-public agencies dedicated to the creation, preservation and maintenance of affordable housing for low or moderate income residents of the Commonwealth of Massachusetts; however, no provision hereof shall be construed to confer any rights upon Borrower, whether as third party beneficiary or otherwise.