

## HAZARDOUS WASTE INDEMNIFICATION AGREEMENT

This Hazardous Waste Indemnification Agreement (this "Agreement") is made this 6th day of March, 2015 by South Boston Veterans Housing, LLC, a Massachusetts limited liability company, having an address of 365 West Broadway, Boston, MA 02127 (the "Borrower"), SBVH Manager LLC, a Massachusetts limited liability company, having an address of 365 West Broadway, Boston, MA 02127 (the "Managing Member"), Caritas Communities Inc., a Massachusetts non-profit corporation, having an address of 25 Braintree Hill Office Park, Suite 206, Braintree, MA 02184 ("Caritas"), and South Boston Neighborhood Development Corporation, a Massachusetts non-profit corporation having an address of 365 West Broadway, South Boston, MA 02127 ("SBNDC" and together with Caritas, the Borrower and the Managing Member, the "Obligors"), in favor of Radius Bank, having an address of One Harbor Street, Boston, MA 02210 (the "Bondowner").

In consideration of the Bondowner extending certain financing arrangements to the Borrower, which financing arrangements shall be secured by the Mortgaged Property (as defined below), and knowing that the Bondowner will rely hereon, the Obligors hereby represent, warrant, and agree as follows:

1. **Definitions.** The terms used below in this Agreement shall have the meanings there indicated:

"Bond Agreement" means, collectively, (a) a certain Loan, Security and Trust Agreement dated as of March 6, 2015 by and among the Borrower, Massachusetts Development Finance Agency (the "Issuer"), and the Bondowner, as may be amended, modified, or extended from time to time, (b) a certain Supplemental Loan Agreement of even date herewith by and between the Borrower and the Bondowner, as may be amended, modified, or extended from time to time, and (c) a certain Bond Purchase Agreement of even date herewith by and between the Borrower and the Bondowner, and acknowledged by the Issuer, as may be amended, modified, or extended from time to time.

"Bonds" means, collectively, (a) those certain Massachusetts Development Finance Agency Multifamily Housing Revenue Bonds, South Boston Veterans Housing Issue, Series 2015A in the principal amount of \$6,025,000.00 issued by the Issuer and purchased by the Bondowner, as may be amended, modified, or extended from time to time and (b) those certain Massachusetts Development Finance Agency Multifamily Housing Revenue Bonds, South Boston Veterans Housing Issue, Series 2015B in the principal amount of \$175,000.00 issued by the Issuer and purchased by the Bondowner, as may be amended, modified, or extended from time to time.

"Environmental Laws" means all federal, provincial, local or foreign laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the generation, use,

handling, collection, treatment, storage, transportation, recovery, recycling, release, threatened release or disposal of any Hazardous Materials, or to human health and safety matters.

“Environmental Reports” means those environmental reports and analyses regarding the Mortgaged Property set forth on Schedule A attached hereto.

“Hazardous Materials” means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odour, radiation, energy, vector, plasma, constituent or material which (a) is or becomes listed, regulated or addressed under any Environmental Law, or (b) is, or is deemed to be, alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Law, including, asbestos, petroleum and polychlorinated biphenyls, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Mortgage” means that certain Mortgage and Security Agreement of even date herewith granted by the Borrower in favor of the Bondowner, covering the Mortgaged Property, as may be amended, modified, or extended from time to time.

“Mortgaged Property” means the real property located at **273 D Street and 244 Athens Street, Boston (South Boston), Suffolk County, Massachusetts**, all as more particularly described in the Mortgage.

Any capitalized terms used, but not otherwise defined, herein shall have the meanings set forth in the Bond Agreement.

**2. Representations and Warranties.** The Borrower and the Guarantors hereby represent and warrant to the Bondowner:

(a) that none of the Obligors nor any of their respective agents, employees or independent contractors:

(i) except as disclosed in the Environmental Reports, have caused or are aware of a release or threat of release of Hazardous Materials on the Mortgaged Property or abutting properties;

(ii) have arranged for the transport of or transported any Hazardous Materials in a manner as to violate, or result in potential liabilities under, any Environmental Laws;

(iii) have received any notice, order or demand from the federal Environmental Protection Agency or the Commonwealth of Massachusetts Department of Environmental Protection under any Environmental Laws.

(iv) have incurred any liability under any Environmental Laws in connection with the mismanagement, improper disposal, or release of Hazardous Materials;

(v) except as disclosed in the Environmental Reports, are aware of any Hazardous Materials or the threat of release of Hazardous Materials on or in the Mortgaged Property which could give rise to liability under any Environmental Laws or any other Applicable Law;

(vi) are aware of any inspection or investigation of the Mortgaged Property or any part thereof or any abutting properties by any Governmental Authority for possible violations of the Environmental Laws;

(b) to the Obligors' knowledge and except as disclosed in the Environmental Reports, that no prior owners of the Mortgaged Property or any part thereof committed or omitted any act which caused a release of Hazardous Materials on the Mortgaged Property or any part thereof or other property owned by any such prior owner which could give rise to a Lien on the Mortgaged Property or any part thereof in favor of any Governmental Authority; and

(c) to the Obligors' knowledge, that no notice or statement of claim or Lien affecting the Mortgaged Property or any part thereof has been recorded or filed in any public records by any Governmental Authority for costs, penalties, fines or other charges as to the Mortgaged Property or other property owned by the Obligors.

**3. Covenants.** The Obligors hereby covenant that the Obligors shall:

(a) not store (except in compliance with Applicable Law), or dispose of any Hazardous Materials on the Mortgaged Property;

(b) neither directly nor indirectly transport or arrange for the transport of any Hazardous Materials (except in compliance with Applicable Law);

(c) upon written request of the Bondowner based upon a good faith belief that a release of Hazardous Materials has occurred at or on the Mortgaged Property or any abutting property, take all such action, including, without limitation, the conducting of engineering tests (at the sole expense of the Borrower): (i) to confirm that no Hazardous Materials are or ever were stored on the Mortgaged Property or any part thereof; (ii) to assess, contain, and remove any such Hazardous Materials on the Mortgaged Property or any part thereof; and (iii) to qualify for any insurance program or safe harbor which may be available under state or federal law;

(d) promptly provide the Bondowner with written notice: (i) upon any of the Obligors' obtaining knowledge of any potential or known release, or threat of release, of any Hazardous Materials at or from the Mortgaged Property or any part thereof; (ii) upon any of the Obligors' receipt of any notice to such effect from any Governmental Authority; and (iii) upon

any of the Obligors' obtaining knowledge of any incurrence of any expense or loss by such Governmental Authority in connection with the assessment, containment, or removal of any Hazardous Materials for which expense or loss any of the Obligors may be liable or for which expense a Lien may be imposed on the Mortgaged Property or any part thereof; and

(e) (i) promptly give to the Bondowner notice of the presence of any Hazardous Materials in or on the Mortgaged Property or any part thereof, except any Hazardous Materials used or stored in compliance with Applicable Law; (ii) promptly cause one or more environmental assessments of the Mortgaged Property to be undertaken, as may be reasonably requested by the Bondowner, (iii) comply with any notice requirements imposed by any of the Environmental Laws; (iv) promptly commence to arrange for the cleanup of such Hazardous Materials and the containment of Hazardous Materials where there is a threat of release; (v) demonstrate to the Bondowner's satisfaction that the Borrower and the Guarantors have the financial resources to perform any cleanup and containment required under this Agreement or under Environmental Laws; and (vi) diligently pursue the cleanup and containment to completion by using best efforts in accordance with all applicable requirements of Environmental Laws; provided, however, that the Bondowner may at any time exercise and perform any of the Obligors' obligations hereunder if the Bondowner determines, in its sole discretion, that any such exercise and performance is necessary to protect the security for the Bonds or to protect the Bondowner from incurring liability under Environmental Laws.

**4. Bondowner's Rights.** Whenever the Bondowner determines in good faith that a violation of Environmental Laws may have occurred and the Obligors have failed to comply with any of their obligations under Section 3 above, the Bondowner may, at its election:

(a) cause one or more environmental assessments of the Mortgaged Property or any part thereof to be undertaken. Environmental assessments may include detailed visual inspections including, without limitation, all storage areas, storage tanks, drains, dry wells, and leaching areas, and the taking of soil samples, surface water samples, and ground water samples, as well as such other investigations or analyses as are necessary or appropriate for a complete assessment of the compliance of the Mortgaged Property and the use and operation thereof with all Environmental Laws. The Bondowner or the Bondowner's agents shall have the right hereunder to enter upon the Mortgaged Property or any part thereof to undertake said environmental assessment upon one (1) day's notice to the Obligors. The Obligors shall not interfere with the Bondowner's right hereunder to undertake said environmental assessment, provided that the Bondowner does not unreasonably interfere or disturb the Borrower's use or possession of the Mortgaged Property. In no way shall the Bondowner or its agents be construed to have committed a trespass or any other act in violation of any law provided the Bondowner conforms to the provisions hereunder in exercising its rights to perform environmental assessments. Moreover, any entry made by the Bondowner or its agents for purposes of conducting an environmental assessment shall not cause the Bondowner to be deemed a mortgagee in possession nor shall such entry be construed as an act of foreclosure or taking of possession under any of the Bond Documents; and

(b) cure any failure on the part of the Obligors or any occupant of the Mortgaged Property to comply with the Environmental Laws, including, without limitation, the following:

(i) arrange for the cleanup and containment of those Hazardous Materials found in, on or near the Mortgaged Property which violate the Environmental Laws, and pay for such cleanup and containment costs and costs associated therewith;

(ii) pay on behalf of the Obligors or any occupant of the Mortgaged Property any fines or penalties imposed on the Obligors or any occupant by any Governmental Authority in connection with such Hazardous Materials; and

(iii) make any other payment or perform any other act which may prevent a release of Hazardous Materials, facilitate the cleanup thereof, or a prevent a lien from attaching to the Mortgaged Property or any part thereof.

Any partial exercise by the Bondowner of the above remedies or any partial undertaking on the part of the Bondowner to cure the failure of the Obligors or any occupant of the Mortgaged Property to comply with the Environmental Laws, shall not obligate the Bondowner to complete the actions taken or require the Bondowner to expend further sums to cure the Obligors' or any such occupant's noncompliance. No exercise of any such special remedies shall place upon the Bondowner any responsibility for the operation, control, care, management or repair of the Mortgaged Property, or make the Bondowner the "operator" or "owner" of the Mortgaged Property or any part thereof within the meaning of the Environmental Laws. Any amounts paid or costs incurred by the Bondowner as a result of the exercise of its rights hereunder, together with interest thereon from the date of payment at a rate equal the rate of interest then accruing under the Bonds, shall be immediately due and payable by the Borrower to the Bondowner, and until paid shall be added to the indebtedness evidenced by the Bond Documents and shall be secured by the Bond Documents and the Guaranties. The Bondowner, by making any such payment or incurring any such costs, shall be subrogated to any rights of the Obligors or any occupant of the Mortgaged Property to seek reimbursement from any third parties, including, without limitation, a predecessor in interest to the Borrower's title or a predecessor to the occupant's use of the Mortgaged Property, as applicable, who may be a "responsible party" under the Environmental Laws, in connection with the presence of such Hazardous Materials in, on or near the Mortgaged Property.

**5. Indemnification.** The Obligors hereby agree to indemnify and hold the Bondowner harmless from all liability, loss, cost, damage and expense, including attorney fees and costs of litigation, arising from any and all violations of the Environmental Laws including those arising from any lien on the Mortgaged Property by any Governmental Authority arising from the presence of Hazardous Materials upon the Mortgaged Property or any part thereof. The Obligors agree that their obligations hereunder shall be continuous and shall survive the repayment of all indebtedness owed to the Bondowner.

**6. Joint & Several Liability.** The liabilities and obligations of the Obligors under this

Agreement are joint and several; provided, however, the release by Bondowner of any of the Obligors shall not release any other Person obligated on account of this Agreement. No Person obligated on account of this Agreement may seek contribution from any other Person also obligated unless and until all liabilities to Bondowner from the Person from whom contribution is sought have been satisfied in full.

[Signatures to this Agreement appear on the following pages.]

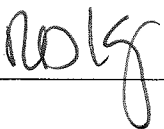
EXECUTED under seal as of the date first above written.


BORROWER:

SOUTH BOSTON VETERANS HOUSING LLC, a  
Massachusetts limited liability company

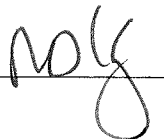
By: SBVH Manager LLC, a Massachusetts limited  
liability company, its manager

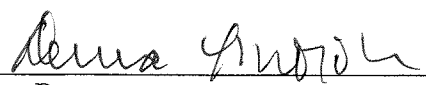
By: Caritas Communities Inc., its manager

  
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Witness

By:   
\_\_\_\_\_  
Name: Mark Winkeller  
Title: President, duly authorized

By: South Boston Neighborhood Development  
Corporation, its manager


  
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Witness

By:   
\_\_\_\_\_  
Name: Donna Brown  
Title: Executive Director, duly authorized

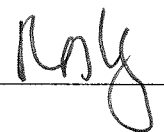
SBVH MANAGER LLC, a Massachusetts limited  
liability company

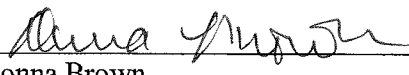
By: Caritas Communities Inc., its manager

  
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Witness

By:   
\_\_\_\_\_  
Name: Mark Winkeller  
Title: President, duly authorized

By: South Boston Neighborhood Development  
Corporation, its manager

  
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Witness

By:   
\_\_\_\_\_  
Name: Donna Brown  
Title: Executive Director, duly authorized





## SCHEDULE A

### ENVIRONMENTAL REPORTS

- (i) Phase I Environmental Site Assessment prepared by GZA GeoEnvironmental, Inc. dated September 17, 2014
- (ii) Preliminary Geotechnical Engineering Report prepared by GZA GeoEnvironmental, Inc. dated January 20, 2012
- (iii) Geotechnical Report Summary prepared by GZA GeoEnvironmental, Inc. dated January 20, 2015
- (iv) Soils Report prepared by GZA GeoEnvironmental, Inc. dated March 11, 2014
- (v) Asbestos and Hazardous Building Materials Assessment prepared by GZA Environmental, Inc. dated January 14, 2013
- (vi) Limited Asbestos and Lead-Containing Materials Evaluation prepared by GZA Environmental, Inc. dated April 4, 2013
- (vii) Release Abatement Measure Completion Report prepared by GZA GeoEnvironmental, Inc. dated October 18, 2013
- (viii) Release Abatement Measure Plan prepared by GZA GeoEnvironmental, Inc. dated January 3, 2013
- (ix) release Abatement Measure Status Report prepared by GZA GeoEnvironmental, Inc. dated May 2, 2013
- (x) Mixed Debris Waste Characterization Report prepared by Loureiro dated June 3, 2013
- (xi) Additional Groundwater Observations prepared by GZA GeoEnvironmental, Inc. dated October 23, 2012.