

INVESTMENT AGREEMENT

THIS AGREEMENT (this "**Agreement**") is entered into as of June 15, 2007, by and between Coastal Realty Development LLC, a limited liability company organized under Massachusetts law with a principal place of business of 43 Tony Terrace, Bridgewater, Massachusetts 02324 (the "**Company**"), and R&D Investment Trust, u/d/t dated June 14, 2007, Raymond Bourque Trustee 346 Cushman Road, North Attleboro, MA 02760 (the "**Infrastructure Investor**").

RECITALS

WHEREAS the Company holds title to and is developing a 38.5 acre parcel of property owned by the Company and located on Snipatuit Road in Rochester, Massachusetts, such property more particularly described in those two deeds recorded at the Plymouth County Registry of Deeds at Book 33799, Page 99 and 102 (the "**Property**") as an "over 55" retirement community containing sixty (60) residential lots, all as more fully described below; and

WHEREAS in order to complete the infrastructure improvements needed to the Property, the Company needs to raise additional capital; and

WHEREAS the Infrastructure Investor has agreed to provide the additional capital to the Company in return for an Interest in the Company, pursuant to the terms set forth herein.

NOW, THEREFORE, in consideration of the promises and of the mutual provisions, agreements, and covenants contained herein, the Company and the Infrastructure Investor hereby agree as follows:

1. Investment Terms.

Subject to the terms and conditions of this Agreement, the Infrastructure Investor agrees to invest in the Company the sum of **ONE MILLION DOLLARS** (\$1,000,000.00) (the "**Investment**"), on or before June 16, 2007.

Upon payment the Infrastructure Investor will be admitted as a member in the Company and will receive 51 percent of a newly created non-voting equity interest in the Company.

As security for the Company's performance under this Agreement, the Company has agreed to grant the Infrastructure Investor a third priority mortgage lien and security interest on the Property, pursuant to the terms of a Mortgage and Security Agreement, substantially in the form attached hereto as **Exhibit "A"** on the Property (the "Mortgage"), which Mortgage is junior in right and priority to mortgages given by the Company to (collectively, the "Senior Mortgages"):

(i) Kenneth A. Ashworth, Betty B. Ashworth, Scott Allen Ashworth and Wendy

J. Ashworth in the original amount of \$900,000.00 dated November 13, 2006 recorded at the Plymouth County Registry of Deeds (the "Registry") at Book 33799, Page 77; and

- (ii) Wayne Sullivan in the original amount of \$500,000.00 dated December 7, 2006 recorded at the Registry at Book 33799, Page 104 .

As further assurance of payment and performance by the Company under this Agreement, the Infrastructure Investor has required, and the Company has agreed, to restate and amend the Operating Agreement to provide for a separate class of membership. This separate class shall be non-voting, with the 51 percent Interest being transferred to the Infrastructure Investor in exchange for the Investment. The Operating Agreement, as amended and restated (the "Amended Operating Agreement") shall also provide that in the event of default under this Agreement and/or the Mortgage (collectively, the "**Documents**"), among other remedies available to the Infrastructure Investor, the Investor's Interest shall be convertible at the option of the Infrastructure Investor into a controlling voting interest in the Company and the equitable and voting interests of the original members-manager interestmanagers whose signatures are set forth below (the "**Original Managers**") shall become non-voting for so long as one or more defaults under the Documents continue uncured, but the Original Managers' interests shall revert as voting interests, and the Investor's Interest shall revert as non-voting, upon the cure in full by the Company or by third parties of all defaults under the Documents.

Upon default under one or more of the Documents, and for the duration of such default(s), the Investor shall become the sole manager of the Company, but for the sole purpose and objective of liquidating as much of the collateral granted under the Documents given to secure the redemption of the then outstanding Investment and other obligations of the Company as provided in this Agreement.

The Amended Operating Agreement ("**Operating Agreement**") shall also provide that the Company shall redeem the entire interest of the Infrastructure Investor on June 19, 2008 (the "**Redemption Date**") without demand or any other notice of any kind, all of which are hereby expressly waived. The redemption price for the Infrastructure Investor's Interest, to be paid on the Redemption Date, shall be **ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000.00)** (the "**Redemption Price**").

The Investor shall deliver the full amount of the Investment to the Company within one (1) business day following the parties' execution of this Agreement and the recording at the Registry of the Mortgage (the "**Funding Date**"), such payment to be in the form of immediately available funds by wire transfer for the account of the Company in accordance with the wire instructions set forth at **Exhibit "B"** hereto.

Payment of the Redemption Price shall be made on the Redemption Date to the Infrastructure Investor at its principal office located at **346 Cushman Road, North Attleboro, MA 02760** in

the form of certified funds. The Infrastructure Investor may at any time, by notice to Company, change the place of payment so long as the place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank in such jurisdiction.

2. Purposes and Usage of Capital Proceeds.

The funds to be advanced by the Investor to the Company pursuant to this Agreement (the "**Proceeds**") shall be useduse the funds consisting of the Investment exclusively in connection with the design and construction of the infrastructure elements of the Company's proposed development at the Property, all as more fully outlined in the construction proposal set forth in **Exhibit "C"** hereto (the "**Construction Proposal**"), and shall not be used for any other reason or purpose, including any other development project(s) or purpose(s) with respect to the Property, without the Infrastructure Investor's express written consent. The Company's use of the ProceedsInvestment proceeds for any unauthorized purpose may constitute an Event of Default, at the Infrastructure Investor's option.

3.Representations and Warranties of the Company.

The Company hereby represents and warrant to the Infrastructure Investor that as of the date hereof as follows:

3.1. Company's Organization and Authority.

The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted, and to carry out the transactions contemplated in this Agreement and any other agreement to which the Company is a party, the execution and delivery of which is contemplated hereby. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a materially adverse effect on its assets, business (as presently conducted or as proposed to be conducted), properties, financial condition, or operating results (a "**Material Adverse Effect**"). A copy of the Company's Amended Operating Agreement is attached hereto as **Exhibit "D."**

3.2. Authority.

All action on the part of the Company, managers and members necessary for the authorization, execution, and delivery of this Agreement, the performance of all obligations of the Company hereunder will be taken prior to delivery of the investment. This Agreement constitutes upon execution a valid and legally binding obligation of the Company, enforceable in accordance with its respective terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium, or other similar federal or state laws affecting the rights of creditors and the effect of rules of law governing specific performance, injunctive relief, or other equitable remedies. No consent, approval or authorization of or designation, declaration, or filing with any governmental authority on the part of the Company is required in connection with the valid execution and delivery of this Agreement.

3.3. Litigation.

There is no dispute, action, suit, proceeding, or investigation pending or currently threatened against the Company which questions the validity of this Agreement or the right of the Company to enter into each such agreement, or to consummate the transactions contemplated hereby or thereby or that would have, either individually or in the aggregate, a Material Adverse Effect. The foregoing includes, without limitation, actions pending or threatened involving the prior employment of any of the Company's employees, the use in connection with the Company's business of any information or techniques allegedly proprietary to any of the Company's former employers, or the Company's obligations under any agreements with prior employers. The Company is not a party to, nor subject to the provisions of, any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding, or investigation by the Company currently pending or which the Company intends to initiate.

3.4. Compliance with Laws and Other Instruments.

(a) The Company is not in violation or default of any provisions of its Certificate of Existence or the Operating Agreement or of any instrument, judgment, order, writ, decree, or contract to which it is a party or by which it is bound or of any provision of federal or state statute, rule or regulation applicable to the Company the violation of which would have a Material Adverse Effect. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, a default under: (i) any such provision of the Certificate of Existence or the Operating Agreement; (ii) any such instrument, judgment, order, writ, decree, or contract; or (iii) any statute, rule, or governmental regulation applicable to the Company, nor an event which results in the creation of any lien, charge, or encumbrance upon any assets of the Company.

(b) The Company has not performed any act, the occurrence of which would result in the Company's loss or impairment of any right granted under any license, distribution, or other agreement.

(c) The Company has no knowledge, after reasonable investigation, of any third-party's intent to terminate any material license, distribution, or other agreement.

3.5. Title to Property/Leases.

The Company owns the Property and its other assets free and clear of all mortgages, liens, loans, and encumbrances, except those encumbrances listed at **Exhibit "E"** hereto and such other encumbrances and liens which arise in the ordinary course of business and do not impair the Company's ownership or use of such property or assets (collectively, the "**Authorized Liens**"). With respect to the property and assets it leases and, to its knowledge, the Company is in compliance with such leases and holds such valid leasehold interests, free of any liens, claims, or encumbrances except the Authorized Liens.

3.6. Licenses, etc.

The Company has all approvals, permits, and licenses and any similar authority necessary for the conduct of its business and the development of the Property in accordance with the Construction Proposal, the lack of which could have a Material Adverse Effect. The Company is not in default in any material respect under any such permits, licenses, or similar authority.

3.7. Taxes.

The Company has timely filed all tax returns and reports as required by law. Such returns and reports are true and correct in all material respects. The Company has paid all taxes and other assessments due, except those contested by it in good faith that are listed in **Exhibit "F"** hereto. To the Company's knowledge, the income tax returns of the Company have never been audited by local, state, or federal authorities, and the Company has not been advised that any of its returns are presently being audited. The Company is not a party to any pending action or proceeding, nor, to the knowledge of the Company, is any such action or proceeding threatened by any governmental authority for the assessment or collection of taxes, interest, penalties, assessments, or deficiencies for such taxes, and no claim for assessment or collection of taxes, interest, penalties, assessments, or deficiencies for such taxes has been asserted against the Company. No material issue has been raised by any federal, state, local, or foreign taxing authority in connection with an audit or examination of the tax returns, reports, business, or properties of the Company which has not been settled or resolved. The Company has not agreed to extend the statute of limitations with respect to any tax period or the review or audit of any tax return. The Company has not made or agreed (or been required) to make any adjustment or change in accounting method. No material special charges, penalties, fines, liens, or similar encumbrances have been asserted against the Company with respect to the payment or failure to pay any taxes which have not been paid or received without further liability to the Company. Proper and accurate amounts have been withheld by the Company from its employees for all periods in compliance with the withholding provisions of applicable federal, state, and local tax laws.

3.8. Private Offering.

Neither the Company nor anyone acting on its behalf will offer the Interest or any similar securities for issuance or sale to, or solicit any offering to acquire any of the same from anyone so as to make the sale and issuance of the Interest subject to the registration requirements of Section 5 of the Securities Act. Assuming the accuracy of the representations and warranties of the Infrastructure Investor contained in Section 4 hereof, the offer, sale, and issuance of the Interest will be exempt from the registration requirements of the Securities Act and will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws.

3.9 Investor's Right of First Refusal re: Additional Investment.

During the term of this Agreement, before the Company shall offer any additional equity investment or financing opportunity to third parties, the Company shall be obligated to offer to the Infrastructure Investor the opportunity to make such investment or to fund such financing, such offer to be in writing (the "**Offer Notice**"), setting forth the amount of

investment/financing, the redemption price, interest rates and other essential terms as may be reasonably pertinent to the decision of the Infrastructure Investor on whether to make such proposed investment/financing. The Infrastructure Investor shall have thirty (30) calendar days from receipt of such written offer (the "**Acceptance Deadline**") to serve written notice upon the Company of its acceptance of the offer to further invest or to provide financing (the "**Acceptance Notice**"), and such further investment/financing shall fund within sixty (60) calendar days of the Infrastructure Investor's receipt of the Offer Notice (the "**Additional Investment Deadline**").

In the event that the Infrastructure Investor shall not serve an Acceptance Offer on or before the Acceptance Deadline or in the event that funding shall not occur on or before the Additional Investment Deadline, the Company may accept an offer from any third party for the investment/financing on substantially the same terms as offered to the Infrastructure Investor in the Offer Notice. If such third party investment is not so closed within 180 days of the Acceptance Deadline, then the Infrastructure Investor's right of first refusal as provided above shall be revived and the Company may not close an investment or financing proposal from a third party unless and until the Company complies with the procedures set forth in this Section.

3.10. Full Disclosure.

The Company has fully provided the Infrastructure Investor with all the information that the Infrastructure Investor has reasonably requested for deciding whether to enter into this Agreement and all information which the Company believes is reasonably necessary to enable the Infrastructure Investor to make such decision. Neither this Agreement nor any other statements or certificates made or delivered in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading when all such documents are read together as a whole.

4. Representations and Warranties of Investor.

Except as contemplated by this Agreement, Investor represents and warrants to the Company as of the date hereof as follows:

4.1. Due Organization.

The Investor is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. The Investor is duly qualified to do business in the Commonwealth of Massachusetts. The Investor has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and possesses all licenses, franchises, rights and privileges material to the conduct of its business. The Infrastructure Investor shall have provided the Company with true, accurate and complete copies of the Certificate of Existence of the Infrastructure Investor's entity existence and of the operating agreement and all amendments thereto.

4.2. Authority.

The Investor has all requisite corporate power and authority to enter into this Agreement and the related agreements contemplated herein, and, subject to satisfaction of the conditions set forth herein, to consummate the transactions contemplated hereby. The execution and delivery of this

Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Infrastructure Investor. This Agreement has been duly executed and delivered by Investor and constitutes the valid and binding obligation of the Infrastructure Investor enforceable in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization or other similar federal or state laws affecting the rights of creditors and the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies. Provided the conditions set forth in **Section 5** are satisfied, the execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation under: (a) any provision of the organization certificates or operating agreement of the Infrastructure Investor, or (b) any material agreement or instrument, permit, license, judgment, order, statute, law, ordinance, rule or regulation applicable to the Infrastructure Investor or its properties or assets, other than any such conflicts, violations, defaults, terminations, cancellations or accelerations which individually or in the aggregate would not have a material adverse effect on the Infrastructure Investor. Except as noted in **Exhibit "G"**, no consent, approval, order or authorization of, or registration, declaration or filing with, any governmental authority is required by or with respect to Investor in connection with the execution and delivery of this Agreement by the Infrastructure Investor or the consummation by the Infrastructure Investor of the transactions contemplated hereby or thereby.

4.3. Restricted Interest.

Investor represents and agrees that, upon the issuance of the Interest, (a) the Infrastructure Investor will acquire the Interest for its own account, and for the purpose of investment and not with a view to the distribution thereof, and that the Infrastructure Investor has no present intention of selling, negotiating or otherwise disposing of the Interest; it being understood, however, that the disposition of Investor's property shall at all times be, and shall at all times remain, within its control, and (b) the Interest has not been registered under Section 5 of the Securities Act and that Investor will only re-offer or resell the Interest purchased by the Investor under this Agreement pursuant to an effective registration statement under the Securities Act or in accordance with an available exemption from the requirements of Section 5 of the Securities Act, except under circumstances where neither such registration nor such an exemption from registration is required by law.

4.4. Disclosure of Information.

The Infrastructure Investor believes it has received all the information it considers necessary or appropriate for deciding whether to enter into this Agreement. The Infrastructure Investor further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of this Agreement. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement, nor the right of the Infrastructure Investor to rely thereon.

4.5. Investment Experience.

The Infrastructure Investor's members are investors in home construction ventures and projects

in the real estate development stage and the Infrastructure Investor acknowledges that it is able to fend for itself, and bear the economic risk of its investment and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of this Agreement.

4.6. Accredited Investor.

The Investor is an "accredited investor" as defined in Section 501 of Regulation D as promulgated by the SEC under the Securities Act and shall submit to the Company such further assurances of such status as may be requested by the Company.

5. Conditions Precedent.

5.1. Disbursement.

The obligation of the Infrastructure Investor to make the disbursement of the Investment shall be subject to the prior or contemporaneous satisfaction of each of the following conditions, unless waived by the Infrastructure Investor:

(a) Representations and Warranties.

(i) The representations and warranties of the Company set forth in this Agreement shall be true and correct in all material respects on the Funding Date with the same effect as though made on and as of such date; and the Company shall have performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by the Company on or prior to the Funding Date.

(b) No Existing Default.

No Event of Default, as defined in Section 7, or event, which, upon the lapse of time or the giving of notice or both, would constitute an Event of Default by the Company shall exist on or prior to the Funding Date.

5.2. Conditions to Obligations of the Company.

The obligations of the Company to consummate the transactions contemplated hereby are subject to the satisfaction on or prior to the Funding Date of the following conditions, unless waived by the Company:

(a) Representations and Warranties. The representations and warranties of the Infrastructure Investor set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as if made at and as of the Funding Date, except as otherwise contemplated by this Agreement.

(b) Performance of Obligations of Investor. Investor shall have performed in all material respects all obligations required to be performed by it under this Agreement prior to the Closing Date.

6. Covenants of the Company

The Company covenants and agrees with the Infrastructure

Investor that:

6.1. Due Existence. The Company shall do or cause to be done all things necessary to preserve and keep in full force and effect the existence of the Company and to maintain its authority to operate as a lawful and valid limited liability company under the laws of the Commonwealth of Massachusetts and to continue the design and development of the Property in accordance with the Construction Proposal.

6.2. Development of the Construction Project.

The infrastructure improvements to the Property identified in the Construction Proposal must be made in accordance with and pursuant to the terms of the Construction Proposal, in accordance with the timetable and the budgets set forth therein, and in a good and workmanlike manner, by not later than November 1, 2007, subject to extension if the Infrastructure Investor agrees thereto in writing (the **"Infrastructure Completion Deadline"**). It is further agreed and understood that no portion of the Investment proceeds shall be used for any purpose other than the tasks contemplated under the Construction Proposal.

6.3. Maintenance of Property.

The Company will maintain, preserve and keep, and will cause the Property and all of the assets which are used or useful in the Construction Proposal (whether owned in fee or a leasehold interest) in good repair and working order and from time to time will make all necessary repairs, replacements, renewals and additions so that at all times the efficiency thereof shall be maintained in all material respects.

6.4. Merger; Acquisitions.

Except as provided below, the Company shall not: (a) consolidate with or merge into any other Person; (b) convey, transfer or lease all or substantially all of its assets in a single transaction or series of related transactions to any Person except for sales of individual Housing Lots to individual lot owners qualified to be the owners and occupants of each such Housing Lot under the applicable law, regulations, permits and declarations of trust and other covenants of record, (c) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any Person or division thereof, or (d) otherwise acquire or agree to acquire any assets which are material to the Company except in the ordinary course of business consistent with prior practice. Such notice shall be given no earlier than contemporaneously with public disclosure of the occurrence or pendency of such an event, and in such notice the Company shall disclose to the Infrastructure Investor whether it supports the occurrence of such event.

6.5. Sale or Lease of Assets; Dispositions and Partial Releases of Mortgage Liens.

With contemporaneous written notice to the Infrastructure Investor, the Company may sell, lease, transfer or otherwise dispose of its assets in connection with:

- (i) a sale of the construction project at the Property as a whole to another developer;
- (ii) a proposed early redemption of the Investment as provided in Section 6.6 below;

or

- (iii) the sale of individual Housing Lots as provided in the succeeding paragraph.

In the event that such transfer also constitutes a Change of Control (as defined in Section 11), the Company shall transfer to such successor entity this Agreement including without limitation any post-termination obligations contained therein, provided that in the event the Company transfers less than all or substantially all of its assets to a purchaser, such agreements, instruments and obligations shall be so transferred only to the extent the assets transferred are subject thereto.

The Investor expressly agrees and acknowledges that partial releases of the Mortgage held by the Infrastructure Investor as security for the payment and performance of this Agreement shall be required in connection with ordinary course sales of Housing Lots to qualified owners/occupants. Accordingly, the Infrastructure Investor expressly agrees hereunder, and agrees to incorporate into the Mortgage, that upon payment as provided below of certified funds in the amount of Sixty Thousand Dollars (\$60,000.00) (each, a "Lot Release Payment") from the closings of sales of individual Housing Lots to qualified owners, the Infrastructure Investor shall deliver to the Company for recording at the Plymouth County Registry of Deeds a partial release of the mortgage liens and security interests that it holds under the Documents, together with a partial release of the mortgage liens and security interests in such Housing Lot held by T&T Capital Partners, LLC ("T&T"), the lender under that \$500,000 construction loan agreement with the Company (the "T&T Loan") and the co-lender under that Intercreditor Agreement among the Investor, T&T and the Company, as to each Housing Lot in connection with the sale thereof.

With each Housing Lot to be sold, in consideration for a partial release of the Mortgage with respect to such Housing Lot and for the Infrastructure Investor's consent to such sale, the Company shall pay directly to T&T, as partial prepayment of the obligations due under the T&T Loan, a Lot Release Payment out of the proceeds of the sale of each such Housing Lot. In the event that all obligations due under the T&T Loan are eventually satisfied by such partial prepayments from sales of Housing Lots, then the Company shall with each subsequent sale of a Housing Lot deliver the Lot Release Payments into an escrow account to be maintained by the Infrastructure Investor's counsel (the "Escrow Account") The Escrow Account shall be a segregated, interest-bearing account maintained by the Infrastructure Investor's counsel, who shall serve as the escrow agent with respect to the Escrow Account (the "Escrow Agent"). The proceeds of the Escrow Account shall be held pending the passage of the Redemption Date, whereupon the proceeds of the Escrow Account shall be released to the Infrastructure Investor and the balance thereof shall be deducted from the amount of the Redemption Price due to the Infrastructure Investor.

Upon an Event of Default, and following five business days after service of written notice to the Company and to the Escrow Agent, the proceeds of the Escrow Account may be released to the Infrastructure Investor and shall act to reduce the amount of the Redemption Price due under this Agreement.

6.6. Early Redemption of the Investment

The Company may, upon ten (10) business days' written notice to the Infrastructure Investor redeem the Investment in full, and obtain a release of the Mortgage and other liens and claims of

the Infrastructure Investor upon the Property and redeem the equity interests in the Company conveyed to the Infrastructure Investor hereunder by paying in full the Redemption Price, less any balance held in the Escrow Account at such time as it has received (the "Early Redemption Price"), to the Escrow Agent, to be held by the Escrow Agent until the Redemption Date, whereupon the Escrow Agent may release the entire balance of the Escrow Account in full satisfaction of all rights and claims of the Infrastructure Investor hereunder. Upon the Escrow Agent's receipt in immediately available funds of the Early Redemption Price, the Infrastructure Investor shall immediately see to the release of the Mortgage and other liens and claims securing the Company's performance under this Agreement and shall re-assign the Interests held by the Infrastructure Investor to the Company and shall, upon the Company's request, execute a further amendment to the Amended Operating Agreement documenting the re-conveyance and redemption of the Interest from the Infrastructure Investor to the Company.

6.7 Indebtedness.

With written notice to the Infrastructure Investor giving the Infrastructure Investor the opportunity to provide such financing or investment as provided in Section 3.9 hereof, the Company may incur indebtedness, may offer for investment the remaining minority interest of the non-voting class of equity in the Company and/or may guaranty obligations incurred, provided that the financing or investment:

- a. falls within the customary obligations under the Authorized Liens;
- b. is to be used for funding the construction of structures on the Housing Lots and common areas on the Property; or
- c. is to be used for funding further phases of infrastructure development at the Property beyond the scope of the Construction Proposal.

6.8. Taxes, Claims for Labor and Materials, Compliance with Laws.

The Company will promptly pay and discharge, all lawful taxes, assessments and governmental charges or levies imposed upon the Company or upon or in respect of all or any part of the Property or the business of the Company, all subcontractor or trade accounts payable in accordance with usual and customary business terms, and all claims for work, labor or materials, which if unpaid might become a Lien upon the Property; provided, however, that the Company shall not be required to pay any such tax, assessment, charge, levy, account payable or claim if: (a) the validity, applicability or amount thereof is being contested in good faith by appropriate actions or proceedings which will prevent the forfeiture or sale of any property of the Company or any material interference with the use thereof by the Company, and (b) the Company shall set aside, in accordance with GAAP, on its books, reserves deemed by it to be adequate with respect thereto. The Company will promptly comply with all laws, ordinances or governmental rules and regulations to which it is subject including, without limitation, the Occupational Safety and Health Act of 1970, Workers Compensation Insurance laws and requirements, both as amended, and all laws, ordinances, governmental rules and regulations relating to environmental protection in all applicable jurisdictions, the violation of which could materially and adversely affect the properties, business, profits or condition of the Company, taken as a whole.

6.9 Notice of Claims and Litigation.

The Company will give prompt notice to the Infrastructure Investor of any claim or action at law or in equity, or before any governmental, administrative or regulatory body or arbitration panel instituted against the Company, or disputes that have a high probability of resulting in a suit of

significance against the Company involving a claim against the Company, for damages in excess of \$10,000.00 or which, if concluded adversely to the Company, could be reasonably expected to materially and adversely affect the business or assets of the Company.

6.10 Notice of Default.

The Company shall promptly give written notice to the Infrastructure Investor of any known default or breach by the Company of any of its obligations or commitments set forth in this Agreement, or otherwise of any default or other occurrence that, with lapse of time and/or giving of notice, would constitute an Event of Default.

7. Events of Default

If any of the events specified in this Section 7 shall occur (herein individually referred to as an "**Event of Default**"), the Infrastructure Investor shall have the right to, so long as such condition exists to demand immediate redemption of its Interest by notice in writing to the Company:

7.1. Payments.

Default in the payment of the Redemption Price when due and payable.

7.2. Bankruptcy.

The institution by the Company of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to institution of bankruptcy or insolvency proceedings against it or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code, or any other applicable federal or state law, or the consent by it to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee or other similar official of the Company, or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the taking of corporate action by the Company in furtherance of any such action.

7.3. Commencement of an Action.

If, within seventy-five (75) days after the commencement of an action against the Company (and service of process in connection therewith on the Company) seeking any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such action shall not have been resolved in favor of the Company or all orders or proceedings thereunder affecting the operations or the business of the Company stayed, or if the stay of any such order or proceeding shall thereafter be set aside, or if, within seventy-five (75) days after the appointment without the consent or acquiescence of the Company of any trustee, receiver or liquidator of the Company or of all or any substantial part of the properties of the Company, such appointment shall not have been vacated.

7.4. Default of Senior Liens.

Any declared default of the Company under any Senior Liens (as defined below) that gives the Infrastructure Investor thereof the right to accelerate such Senior Liens, and in the event that

such Senior Liens are in fact accelerated by one or more of the Infrastructure Investor s thereof, or in the event that any Senior Lien has become due and payable upon maturity and has not been satisfied. The term "**Senior Liens**" shall mean the principal of and unpaid, accrued interest and costs which remain unpaid under the Ashworth Mortgage and under the Sullivan Mortgage, as well as any such indebtedness or any, debentures, bonds or other evidence of indebtedness issued in exchange for such Senior Liens, or any indebtedness arising from the satisfaction of such Senior Liens by a guarantor.

7.5. Covenants and Agreements.

The Company shall default in the performance of any of its material covenants and agreements set forth in any provision of this Agreement and the continuance of such default for thirty (30) days after the Infrastructure Investor has given the Company written notice of such default or if any of the representations or warranties by the Company set forth in this Agreement shall not be true and correct in all material respects as and when made.

7.6. Default Under Other Agreements.

The Company breaches or defaults on any material covenant, condition or other provision of the Documents and such breach, default or acceleration continues after the applicable grace period, if any, specified therein, but in no event more than thirty (30) days after the Infrastructure Investor has given the Company written notice of such breach, default or acceleration.

8. **Rights and Remedies Upon Default.**

8.1 Foreclosure of Liens on Collateral.

Upon the occurrence of any Event of Default, and after the passage of applicable cure periods or at any time thereafter while such default is not cured to the reasonable satisfaction of the Infrastructure Investor, the Infrastructure Investor shall have the rights of a mortgagee and a secured party under Massachusetts Laws, in addition to which the Infrastructure Investor shall have all of the following rights and remedies:

- (a) to declare the Redemption Price, net of escrow amounts funded pursuant to Section 6.5 of this Agreement, to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, notice of protest or notice of any kind except as otherwise provided herein;
- (b) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, to enter upon and take possession of the Property and other collateral provided under the Documents (the "**Collateral**") or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Collateral, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Collateral, take any action described in the Mortgage, sue for or otherwise collect the

rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees.

- (c) to commence an action to foreclose the Mortgage, appoint a receiver, specifically enforce any of the covenants hereof, or sell the Collateral pursuant to the power of sale herein conferred;
- (d) to exercise any or all of the remedies available to a secured party under the Uniform Commercial Code as in effect in the Commonwealth of Massachusetts (the "UCC"); or
- (e) to exercise all rights and remedies provided under the Mortgage.

8.2 Conversion of the Non-Voting Interest into Voting Interest.

Upon the occurrence of any Event of Default, and after the passage of applicable cure periods or at any time thereafter while such default is not cured to the reasonable satisfaction of the Infrastructure Investor, the Infrastructure Investor shall have the right to convert its Non-Voting Interest into Voting Interest in the Company for the limited purpose of liquidating the Collateral and collect proceeds in satisfaction of all liabilities then due under this Agreement (the "**Liabilities**"). The Infrastructure Investor shall be treated for all purposes as the record Infrastructure Investor of all of the Voting Membership Interests. More specifically, the Infrastructure Investor may, at its election and upon written notice to the Company, take partial or full control of the operations of the Company, in conjunction with or to the exclusion of the Company's managers, at the Investor's election. Further, upon the effective date the managers and members shall have no right to receive any distribution or other payment of any kind from the Company, other than as agreed to by the Infrastructure Investor, and Infrastructure Investor may, upon thirty (30) days' written notice (which notice shall be deemed to satisfy any requirement of reasonable notice) to the Company and those parties holding the Membership Interests as of the effective date of the conversion, sell or otherwise dispose of all or any part of the Membership Interests in the Company or all or any part of any other Collateral.

Any sale or other disposition of Collateral may be by public or private proceedings and may be made by way of one or more contracts, as a whole or in portions, at such time and place, by such method, and in such manner and on such terms, as the Infrastructure Investor may determine, provided, however, that the Infrastructure Investor shall maintain a fiduciary relationship and duty to those Infrastructure Investor of the equity interests in the Company at the time immediately preceding the effective date of the conversion right (the "Members") to take such steps as are reasonably required to obtain a return on that portion of the Collateral to be sold that reasonably approximates the fair market value therefor. To that end, the Infrastructure Investor shall obtain such appraisals of the Collateral to be sold under this Section and shall share the same with the Members and shall work together to the extent reasonably possible with the Members in liquidating the Collateral to provide a timely repayment of the Liabilities while also preserving any potential equity that the Members may hold in the Collateral. At any public sale, the Members shall be free to purchase all or any part of Collateral.

The Infrastructure Investor shall apply the net amount received by it from disposition of any Collateral realized, after collection and repayment of all reasonable and proper expenses, costs and charges, first to the payment of the Liabilities in full and thereafter to the Members in accordance with the terms hereof. Once the Liabilities, including all proper expenses and out-of-pocket costs, have been repaid in full, the voting rights of the Infrastructure Investor shall be automatically void and the voting rights of the Members shall revest in full.

8.3. Other Remedies.

If any Event of Default shall occur and be continuing, Investor shall have, in addition to the remedies set forth in Section 8 hereof, all other remedies otherwise available at law and equity.

9. Extension of Redemption Period

The Company may request that the Infrastructure Investor extend the redemption of the Investment for one or more additional one-year periods by providing written request for such extension on or before the ninetieth (90th) day prior to the Redemption Date or any one year anniversary thereof in the event of a second or later request for renewal, together with a detailed written explanation of the need for renewal, to be accompanied by reasonable financial information on the current condition of the Company, the status and projections for the projects at the Property and budgets going forward.

Within sixty (60) days of the Infrastructure Investor's receipt of such written request, the Infrastructure Investor shall provide in writing the Company with its decision regarding the extension request or provide the Company with a commitment to renew subject to certain conditions to be met prior to the Maturity Date or any anniversary thereof (in the event of a second or further renewal request).

In the event that the Infrastructure Investor agrees to a request for extension of the Redemption Date, and as a condition to such one year extension, the Company shall be required to agree to a release of the balance of the Escrow Account, which balance shall reduce dollar for dollar the amount of the Redemption Price as due, together with any other costs or expenses incurred by the Infrastructure Investor prior to the Redemption Date or any extended Redemption Date.

10. Miscellaneous.

10.1. Powers and Rights Not Waived; Remedies Cumulative.

No delay or failure on the part of Investor in the exercise of any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of the same preclude any other or further exercise thereof, or the exercise of any other power or right, and the rights and remedies of Investor are cumulative to, and are not exclusive of, any rights or remedies Investor would otherwise have.

10.2. Notice.

Except as otherwise expressly provided herein, any notice, consent or document required or

permitted hereunder shall be given in writing and it or any certificates or other documents delivered hereunder shall be deemed effectively given or delivered (as the case may be) on the next business day following deposit with an overnight delivery service of national reputation (provided that the package is sent by overnight priority delivery) or three (3) business days following mailing by receipted certified mail delivery. Such certificates, documents or notice may be personally delivered to an authorized representative of the Company or Investor (as the case may be) at the addresses below, or such other address as such party may designate by twenty (20) days advance written notice to the other party, and otherwise shall be sent to the following address:

If to the Company: Coastal Realty Development LLC
43 Tony Terrace
Bridgewater, MA 02324
Attn: Mr. Jeffrey D. Gosciminski

and to

Coastal Realty Development LLC
192 Mystic Drive
Marston Mills, MA _____
Attn: Mr. John J. Maffei

With a Copy to: Michael A. Khoury, Esq.
MADOFF & KHOURY LLP
Pine Brook Office Park
124 Washington Street, Suite 202
Foxborough, MA 02035

If to the Infrastructure Investor: R&D Investment Trust, u/d/t dated June 14, 2007,
Raymond Bourque Trustee
346 Cushman Road,
North Attleboro, MA 02760

With a copy to: Peter G. Shaheen, Esq.
SHAHEEN GUERRERA & O'LEARY, LLC
820A Turnpike Street
North Andover, MA 01845

10.3. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and shall be binding upon and inure to the benefit of Investor and its successors and assigns.

10.4. Survival of Covenants and Representations.

All covenants, representations and warranties made by the Company herein and in any certificates delivered pursuant hereto, whether or not in connection with the Closing Date, shall survive the closing and the delivery of this Agreement.

10.5. Severability. Should any part of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid or unenforceable portion thereof eliminated and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts or portion which may, for any reason, be hereafter declared invalid or unenforceable.

10.6. Waiver of Conditions.

If on the Closing Date, either party hereto fails to fulfill each of the conditions specified in Section 5 hereof, the other party may thereupon elect to be relieved of all further obligations under this Agreement. Without limiting the foregoing, if the conditions specified in Section 5 have not been fulfilled, the other party may waive compliance by such party with any such condition to such extent as such party may in its sole discretion determine. Nothing in this Section shall operate to relieve either party of any obligations hereunder or to waive any of the other party's rights against such party.

10.7. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10.8. Governing Law.

This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Massachusetts, without regard to the conflict of laws provisions thereof.

10.9. Captions.

The descriptive headings of the various sections or part of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

10.10. Survival.

The obligations of the Company under Section 9.12 and Section 10 hereof shall survive the payment of the Redemption Price, the enforcement, amendment or waiver of this Agreement and the termination of this Agreement.

10.11. Entire Agreement; Amendment and Modification.

This Agreement constitutes the entire and final agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior oral or written agreements or discussions on the subject matter hereof. Neither this agreement nor any of the other documents or instruments delivered herewith or executed pursuant hereto may be modified or amended in any respect except in a writing signed by both parties expressly setting forth such modification or amendment.

10.12 Arbitration.

The parties desire to avoid and settle without litigation future disputes which may arise between them relative to this Agreement. Accordingly, the parties agree to engage in good faith negotiations to resolve any such dispute. In the event they are unable to resolve any such dispute by negotiation, then such dispute concerning any matter whose arbitration is not prohibited by law at the time such dispute arises shall be submitted to arbitration in accordance with the Arbitration Rules of the American Arbitration Association (hereinafter "Rules") then in effect and the award rendered by the arbitrator shall be binding as between the parties and judgment on such award may be entered in any court having jurisdiction thereof.

Notice of a demand for arbitration of any dispute subject to arbitration by one party shall be filed in writing with the other party and with the American Arbitration Association. Discovery shall be completed no later than ninety (90) days after filing of such notice of arbitration unless extended by the arbitrator upon a showing of good cause by either party to the arbitration. The arbitrator may consider any material which is relevant to the subject matter of such dispute even if such material might also be relevant to an issue or issues not subject to arbitration hereunder. A stenographic record shall be made of any arbitration hearing.

The parties shall share the cost of arbitration.

11. Interpretation of Agreement; Definitions.

11.1. Definitions. Unless the context otherwise requires, the terms hereinafter set forth when used herein shall have the following meanings and the following definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday, or other day on which commercial banks located in Massachusetts are authorized or required by law to be closed.

"Change of Control" shall mean any change in control of the Company which includes any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company, any acquisition of at least a majority of the Voting Equity of the Company or any sale or transfer of all or substantially all of the business or assets of the Company or the Infrastructure Investor's receipt of written notice from the Company that a Change of Control will occur.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA shall be construed to also refer to any successor sections.

"Event of Default" shall have the meaning set forth in Section 7 hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Funding Date" shall have the meaning set forth in Section 1 hereof.

"GAAP" shall mean generally accepted accounting principles at the time in the United States.

"Infrastructure Investor" shall have the meaning set forth in Section 1 hereof

"Interest" shall have the meaning set forth in Section 1 hereof.

"Investment" shall have the meaning set forth in Section 1 hereof.

"Lien" shall mean any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute, or contract, and including but not limited to the security interest lien arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt, or a lease, consignment, or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases, and other title exceptions and encumbrances (including, with respect to stock, stock Infrastructure Investor agreements, voting trust agreements, buy-back agreements, and all similar arrangements) affecting property. For the purposes of this Agreement, the Company shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, capitalized lease, or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes and such retention or vesting shall constitute a Lien.

"Housing Lot" shall mean those separately saleable lots, or portions thereof with respect to duplexes, identified in the Master Plan of the development as recorded at the Registry.

"Person" shall mean an individual, partnership, Investor, limited liability company, trust, or unincorporated organization, and a government or agency, or political subdivision thereof.

"Redemption Date" shall have the meaning set forth in Section 1 hereof.

"Redemption Price" shall have the meaning set forth in Section 1 hereof.

"SEC" shall mean the Securities and Exchange Commission, or successor regulatory entity.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Voting Equity" shall mean any class or classes of equity in the Company, the Infrastructure Investor s of which are ordinarily, in the absence of contingencies, entitled to vote on actions or operations of the Company, either as a manager or a member, under the Operating Agreement.

11.2. Accounting Principles.

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with the Company's consistent tax accounting.

IN WITNESS WHEREOF, the Company and Investor by their duly authorized officers, have each caused this Agreement to be executed as of the date first written above.

R&D INVESTMENT TRUST,
u/d/t dated June 14, 2007,

By: Raymond Bourque, trustee *by Peter Strabec*
Raymond Bourque, its duly- *under p.o.a.*
authorized Trustee

COASTAL REALTY
DEVELOPMENT LLC

COASTAL REALTY
DEVELOPMENT LLC

By: *Jeffrey D. Gosciminski* *MANAGER & MEMBER* By:
Jeffrey D. Gosciminski, its duly-
authorized Manager and Member

John J. Maffei *MANAGER & MEMBER*
John J. Maffei, its duly-
authorized Manager and Member

EXHIBIT "A"

Form of Mortgage and Security Agreement

MORTGAGE AND SECURITY AGREEMENT

COASTAL REALTY DEVELOPMENT, LLC, a Massachusetts limited liability company having a principal place of business at 43 Tony Terrace, Bridgewater, MA 02324 (hereinafter referred to as "Mortgagor") FOR CONSIDERATION PAID, HEREBY GRANTS TO **T & T CAPITAL PARTNERS, LLC**, a Connecticut limited liability corporation with a mailing address of P.O. Box 678, Mystic, Connecticut ("T&T") and **RAYMOND BOURQUE, TRUSTEE OF THE R&D INVESTMENT TRUST** under Trust dated June 14, 2007, 346 Cushman Road, North Attleboro, Massachusetts, 02760, ("Bourque") (together with T&T hereinafter jointly and severally referred to as the "Mortgagee" or the "Bank" including any successor in interest thereto), with MORTGAGE COVENANTS, to secure the payment in the aggregate principal amount of up to One Million Five Hundred Thousand Dollars (\$1,500,000.00), with interest thereon as provided in Mortgagor's Promissory Note of even date to T&T (the "Note") and a redemption price as provided in a certain Investment Agreement of even date with Bourque (the "Investment Agreement"), due and payable on June 19, 2008, if not paid sooner, to secure the performance of all covenants and agreements herein and in the Note, Investment Agreement and in a Construction Loan Agreement of even date between Mortgagor and T&T and to secure the payment of or performance of all other debts, covenants and agreements of or by Mortgagor to or for the benefit of Mortgagee now existing or hereafter arising while this Mortgage is still undischarged of record, the land known and numbered as 727 and 737 Snipatuit Road, Rochester, Plymouth County, Massachusetts, all as described in Exhibit "A" attached hereto and incorporated herein by reference, together with any and all improvements now or hereafter situated thereon.

Future advances are contemplated and, along with other future obligations, are secured by this Mortgage and Security Agreement even though all or part may not yet be advanced. Nothing in this Mortgage and Security Agreement, however, shall constitute a commitment to make additional or future loans or advances in any amount, except as provided and agreed to under the terms and conditions of that Construction Loan Agreement between T&T and the Mortgagor of even date herewith. Any additional commitment shall be subject to and conditioned upon agreement in a separate writing.

Further, the amount of the obligations secured under this Mortgage is limited to the principal advanced under the Note and Investment Agreement, plus interest and costs incurred

thereunder.

The address of the premises is 727 and 737 Snipatuit Road in Rochester, Massachusetts, such property more particularly described in those two deeds recorded at the Plymouth County Registry of Deeds (the "Registry") at Book 33799, Page 99 and 102.

As further security for the Mortgagor's obligations, Mortgagor hereby grants to Mortgagee a security interest in all equipment (as defined in the Uniform Commercial Code), appliances, furnishings and fixtures (to the extent not part of the real estate) now or hereafter located on the above described premises, or used in connection therewith, excluding property owned by tenants and contractors, and the proceeds therefrom;

Also, general intangibles, including without limitation, licenses, permits and orders presently issued or hereafter obtained in connection with the construction of the improvements on the property, leases and other rental arrangements, rents, issues and profits arising out of the premises, construction guarantees, agreements, insurance policies and proceeds therefrom, taking proceeds and other contractual rights and remedies relating to the premises.

Notwithstanding the grant of security interests in personal property of the Mortgagor as provided herein, the Mortgagee acknowledges, however, that: (i) the Premises currently constitute raw land, (ii) the Mortgagor's only material asset currently is the Premises and the development permits obtained to date in conjunction therewith; and (iii) the improvements to be financed under this Agreement and the Investment Agreement are limited to those infrastructure improvements and related costs set forth in and agreed to by the parties in the project schedule attached to the Investment Agreement as Exhibit "C" and to the Construction Agreement with T&T as Exhibit "A";

The Mortgagor covenants and agrees that as of the execution hereof and upon the subsequent acquisition of such articles, fixtures, equipment and general intangibles of Mortgagor now or hereafter used in the construction of improvements on or operation of the realty hereby conveyed, Mortgagor shall:

1. provide the holder with a precise inventory of the same, as and when acquired, as requested by Mortgagee;
2. execute and deliver to the holder, when requested to do so by Mortgagor, in form appropriate for recording and filing, a first security agreement and financing statements on all such articles, fixtures, equipment and general intangibles of Mortgagor; and
3. provide to the holder such other assurances as may be required by the holder to establish the holder's first and prior security interest in such articles, fixtures, equipment and general intangibles; and

Said land, improvements, equipment, appliances, furnishings and fixtures are hereinafter

referred to as the "premises."

Mortgagor further covenants and agrees with Mortgagee:

1. to perform all of the covenants and agreements contained in the Note and in the Investment Agreement.

2. to pay at least ten (10) days before due all taxes, charges for water, sewer and other municipal services, and assessments, whether or not assessed against Mortgagor, if applicable, or related in any way to the premises, or any interest in the premises of Mortgagor, Mortgagee or any other person or organization, or the debt, obligations or performance secured hereby, or the disbursement or application of the proceeds therefrom, excluding, however, any income or corporation excise tax of Mortgagee. In the event that Mortgagee fails to make said payments for taxes, charges for water, sewer and other municipal services, and assessments, upon request of Mortgagor in writing, Mortgagor shall pay to Mortgagee on each day that payments are required by the terms of the Note, or monthly on the first day of the month if no payments are due on the note prior to maturity, a sum determined by the Mortgagee to be sufficient to provide in the aggregate a fund adequate to pay such taxes, charges and assessments at least ten (10) days before the same become delinquent, (hereinafter referred to as "escrows") and, in addition, to pay to Mortgagee on demand any balance necessary to pay in full said taxes, charges and assessments at least ten (10) days before the date when they become due and payable. Except as may be required by law, such sums shall not bear interest but shall be maintained in a segregated, non-interest bearing account; Mortgagee shall not be required to account for any profits resulting from its use thereof; and such sums may be applied by Mortgagee to the payment of such taxes, charges and assessments or any other obligation of Mortgagor hereunder. If Mortgagee has requested escrows, Mortgagor shall furnish to Mortgagee all original tax bills relating to the premises at least fifteen (15) days before such taxes shall be due and payable. Mortgagor grants Mortgagee, in the event of a default hereunder, full power and authority as attorney irrevocable of Mortgagor to apply for and prosecute claims for the abatement of taxes and to collect and endorse any checks issued on account of Mortgagor and to retain and apply the same to the debt secured hereby.

3. to carry with respect to the premises and its use such insurance as the holder may from time to time reasonably require and as may from time to time be required by any applicable Federal, state or local law or regulation; all insurance against loss or damage to the premises by fire and any of the risks covered by insurance of the type now known as "fire and extended coverage" shall contain the "Replacement Cost Endorsement" and an "Agreed Value Endorsement"; during the construction of any improvements which become a part of the premises, as requested by Mortgagee, to carry insurance in "Builder's Risk Completed Value (non-reporting)" form including all risk type coverage; all such insurance shall also provide coverage against the perils normally covered by a so-called special endorsement, i.e., collapse, cost of demolition, increase cost of construction and the value of the undamaged portion of the premises; and all insurance (with evidence of payment of premiums thereof satisfactory to the holder) so required to be maintained, together with any other insurance with respect to the

premises maintained by the Mortgagor, shall be deposited with, and, except for public liability coverage and any other coverage the holder may determine shall not be payable to it in case of loss, shall be first payable in case of loss to the holder; all renewals or replacements of such insurance from time to time in force together with evidence of payment of premiums thereof satisfactory to the holder shall be delivered to the holder ten days at least before the expiration date of then current insurance; all insurance required as aforesaid to be maintained with respect to the premises, shall be written by such companies on such terms in such form and for such periods and amounts as the holder shall from time to time approve and shall not be cancelable or amendable without at least thirty days' prior written notice to the holder; and no settlement on account of any loss covered by settlement insurance shall be effected without the consent of the holder;

4. except as otherwise permitted under the Construction Loan Agreement between Mortgagor and Mortgagee of even date, to maintain the premises at all times in as good repair and condition as the same now are or hereafter may be put, damage from casualty expressly not excepted; permitting no waste or strip of the premises, nor any violation of any law, by-law, ordinance, restriction, regulation, order or code affecting the premises or the use thereof; and not to remove or alter any of the improvements, equipment, appliances, furnishings and fixtures constituting part of the premises without the prior written consent of the Mortgagee which consent shall not be unreasonably withheld; and to permit Mortgagee, its agents and employees, reasonable opportunity to enter upon the premises for the purpose of inspecting the condition of the premises and determining Mortgagor's compliance with the covenants contained herein;

5. to observe and perform all the obligations imposed upon Mortgagor under any lease of the premises or any portion thereof, and not to do or permit to be done anything which would impair the security of such lease to Mortgagee, nor to cancel or change any terms, conditions or covenants of any lease of the premises or any portion thereof without the prior written consent of the Mortgagee, nor to execute any lease providing for payment of rent for more than one month in advance, nor to receive rent from any tenant of all or any part of the premises for more than one month in advance without the prior written consent of the Mortgagee, and any such advance rent in excess of one month received shall be held by Mortgagor in trust for the benefit of Mortgagee;

6. after construction of the improvements on the premises, upon demand of Mortgagee, to assign and deliver to Mortgagee any or all leases of the premises or any part thereof, or Mortgagor's right to receive any or all rents and other income reserved in such leases, provided, however, Mortgagor shall retain the right to receive such rents until the occurrence of a default under any instrument executed in connection with this transaction. Such assignments shall be in form satisfactory to Mortgagee, and Mortgagor hereby grants mortgagee full power and authority as attorney irrevocable of Mortgagor to make, execute, acknowledge, deliver and record such assignments. After any default by Mortgagor hereunder or under the terms of such assignments, Mortgagee shall be entitled to modify and otherwise deal with all such leases with the same power and discretion which Mortgagee would have if it were the lessor thereof, and Mortgagee shall be entitled to collect all of the rents and other income reserved in such leases, to

collect and endorse any checks issued in the name of Mortgagor and to apply the same to the debt secured hereby, and after foreclosure Mortgagee shall not be liable to account to Mortgagor for rents or other income thereafter accruing, provided, however, that any such assignments shall also provide that Mortgagor may have and retain such rents and profits until such default occurs; and Mortgagee shall further have the right to subordinate this Mortgage and its rights hereunder to any lease of the premises or any portion thereof, and upon execution and recording of any instrument with the same force and effect as if such lease or leases have been executed and delivered prior to the execution, delivery and recording of this Mortgage;

7. if the premises or any part thereof shall be damaged or destroyed by fire or other hazard insured against or if the premises or any portion thereof shall be taken by eminent domain, no settlement on account of any loss, damage or taking shall be made without the consent of Mortgagee, provided, however, in the event of a default hereunder, Mortgagee may, at its option, settle any claims with the insurers or taking authority, and provided further that any proceeds from insurance or damages for such taking, as the case may be, shall be paid to Mortgagee, and Mortgagor hereby irrevocably assigns the same to Mortgagee, and Mortgagor hereby grants to Mortgagee full power and authority as attorney irrevocable of Mortgagor to settle such claims and to collect and endorse any checks issued in the name of Mortgagor. Mortgagee, in its discretion, may either apply any insurance proceeds or eminent domain award against any of the debt or obligations secured hereby (in which case Mortgagor's obligations hereunder to restore such damage to the premises as may have been caused by such fire, other hazard or taking, shall terminate), or release such portion of the proceeds to Mortgagor as is necessary to restore the premises to their prior condition insofar as is practicable upon such terms and conditions as Mortgagee deems appropriate, and apply the balance thereof, if any, to the debt secured hereby; provided, however, that if any insurer of the premises denies liability, Mortgagor shall not be relieved of its obligations to restore the premises;

8. if Mortgagor shall default in the performance or observance of any covenant or agreement herein or in the Note contained, after any required notice and the lapse of any applicable grace period, Mortgagee may apply toward the debt secured hereby any deposit, payment or any sum due from Mortgagee to Mortgagor without first enforcing any other rights of Mortgagee against Mortgagor, or against any endorser or guarantor of the Note or against the premises;

9. if Mortgagee shall become involved in any action or course of conduct with respect to the Note, this Mortgage, the premises, or other security for the debt or obligations secured hereby, in order to protect its interest therein, including without limitation: Mortgagee's commencement and prosecution of foreclosure proceedings, involvement in bankruptcy proceedings concerning Mortgagor, entering the premises, care and management thereof or defending or participating as a party in any action at law or in equity brought by Mortgagor or any other person or organization with respect to the premises (or other security for the debt secured hereby), Mortgagor shall reimburse Mortgagee in connection therewith, including without limitation, attorneys' fees and other reasonable fees attributable to undertaking such actions or conduct.

10. that at any foreclosure sale of the premises, the premises or any portion thereof may be offered for sale for one total price or separately, and the proceeds of such sale or sales may be accounted for in one account without distinction between the items of security or without assigning to them any proportion of such proceeds, Mortgagor hereby waiving the application of any doctrine of marshalling of assets. Mortgagee may, in the exercise of the power of sale herein given, sell the premises and said other security in parts or parcels, said sales may be held from time to time, by public or private sale, and the power shall not be fully executed until all of the premises and said other security not previously sold shall have been sold; if surplus proceeds are realized from a foreclosure sale, Mortgagee shall not be liable for any interest thereof pending distribution of such proceeds by Mortgagee.

11. to notify Mortgagee promptly of the existence of and the exact details of any other security interest affecting any portion of the premises, now existing or hereafter arising, to make all payments that become due to any secured party having such security interests, and at the request of Mortgagee to assign to Mortgagee all of its right, title and interest in and to any and all agreements evidencing such security interest, and Mortgagor hereby grants Mortgagee full power and authority as attorney irrevocable of Mortgagor to make, execute, acknowledge and deliver such assignments. Mortgagor represents that no security interest presently exists in any of said security except as has heretofore been disclosed in writing to Mortgagee;

12. that Mortgagee shall be entitled, but not obligated, to cure any default of Mortgagor hereunder, and shall be reimbursed by Mortgagor for all costs, charges and expenses, including without limitation, attorney's fees incurred in connection therewith, and that all sums for which Mortgagee may be entitled to reimbursement shall be added to the principal sum of the debt secured hereby, shall earn interest at the rate set forth in the Note, shall be secured by this Mortgage, and shall be payable on demand of Mortgagee, whether or not the remaining principal balance of the Note has been declared due and payable;

13. in the event the legal or beneficial ownership of the premises, or any portion thereof or interest therein, becomes vested in anyone other than Mortgagor or its existing members, except upon the death of or appointment of a guardian or conservator for Mortgagor, or any beneficiary of Mortgagor, the entire mortgage debt shall, at the option of Mortgagee, become due and payable on demand together with all prepayment charges to which Mortgagee would be entitled under the Note or by law if the Note were paid in full at the time of demand, provided, however, that Mortgagee may, without notice to Mortgagor, deal with Mortgagor's successor or successors in interest with reference to the Mortgage and the debt secured hereby in the same manner as with Mortgagor without in any way releasing, discharging or modifying Mortgagor's liability or obligations with respect to this Mortgage or the debt secured hereby. No sale of the premises hereby mortgaged and no forbearance on the part of Mortgagee or extension of the time for payment of the debt secured hereby or any other indulgence given by Mortgagee shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, or the priority of this Mortgage, either in whole or in part, notice of such forbearance, extension or other indulgence being hereby expressly waived;

14. that Mortgagor shall not:

a. create, permit to be created or suffer any encumbrances, liens or indebtedness on the premises (except for the lien for unpaid real estate taxes and betterment assessments prior to the commencement of interest and penalties thereon);

b. if Mortgagor is other than a natural person or persons, liquidate, terminate its existence, merge or consolidate with any other entity or dissolve;

c. file a petition under any chapter of the Federal Bankruptcy Act or institute any other proceeding under any law relating to bankruptcy, bankruptcy reorganization, insolvency or relief of debtors, or consent to an assignment, composition or similar arrangement for the benefit of Mortgagor's creditors, or consent to appointment of a receiver for any of Mortgagor's property.

15. if this Mortgage is at any time subject or subordinate to another mortgage, Mortgagor shall not modify, amend or extend such prior mortgage, or the debt or any obligation secured thereby, without the consent of Mortgagee. Any default under such prior mortgage or any obligations secured thereby shall be a default hereunder, and Mortgagee shall be entitled but not obligated to cure said default, as provided in Paragraph 9 hereof;

16. any notice, demand or other communication from Mortgagee to Mortgagor shall be deemed satisfactorily given upon depositing the same in writing in the United States mail, postage prepaid, by registered or certified mail, addressed to Mortgagor (or any one of them if there be more than one) at the address set forth herein;

In the event (A) of a failure to pay interest or principal on the Note in accordance with its terms or of breach of any other covenant, condition or agreement contained in this Mortgage remaining uncured for a period in excess of fifteen (15) days (except that no grace period shall be permitted for a default under Sections 14. b. or 14.c. above) or any breach in the covenants, conditions or agreements in any instrument given in connection with the Note and debt secured hereby, or in any other mortgage, debt or obligation of or from Mortgagor to Mortgagee remaining uncured after the expiration of any applicable grace periods; or if any involuntary proceedings shall be commenced against Mortgagor under any chapter of the Federal Bankruptcy Act or other law relating to bankruptcy, bankruptcy reorganization, insolvency or relief of debtors, and such petition or proceeding is not dismissed within forty-five (45) days from the date on which it is filed or instituted; or if Mortgagor becomes insolvent or is unable to pay its debts as they become due, or (B) any guarantor of Mortgagor's obligations or any endorser of the Note:

a. if other than a natural person liquidate, terminate or dissolve or merge or consolidate with another entity;

b. file or institute a petition (or have filed or instituted against such guarantor or endorser, a petition which is not dismissed within forty-five (45) days under any chapter of the Federal Bankruptcy Act or any other proceeding under any law relating to bankruptcy, bankruptcy reorganization, insolvency or relief of debtors, or consent to an assignment, composition or similar arrangement for the benefit of creditors, or consent to appointment of a receiver for any of the property, of such creditors or endorsers; or

c. become insolvent or unable to pay debts when due;

then at the option of the Mortgagee, the entire debt secured hereby, together with all prepayment charges to which Mortgagee would be entitled under the Note or by law if the Note were prepaid in full shall be due and payable, and Mortgagee shall have the STATUTORY POWER OF SALE as hereinafter provided. The failure at any time of the Mortgagee to exercise this option shall not constitute a waiver of the right to exercise such right at any other time to the extent such default has not been cured within a time period specifically designated by Mortgagee.

The Mortgagee expressly agrees and acknowledges that partial releases of the mortgage liens and security interests held hereunder as security for the payment and performance of the Mortgagor's obligations under the Note and the Investment Agreement shall be required in connection with ordinary course sales of separately saleable lots, or portions thereof with respect to duplexes, identified in the Master Plan of the development as recorded at the Registry (each, a "Housing Lot"). Accordingly, the Mortgagee expressly agrees hereunder, that upon payment as provided below of certified funds in the amount of Sixty Thousand Dollars (\$60,000.00) (each, a "Lot Release Payment") from the closings of sales of Housing Lots to qualified owners, the Mortgagee shall deliver to the Mortgagor for recording at the Registry a partial release of the mortgage liens and security interests that it holds hereunder, as to each Housing Lot in connection with the sale thereof.

With each Housing Lot to be sold, in consideration for a partial release of the Mortgage with respect to such Housing Lot and for the Mortgagee's consent to such sale, the Mortgagor shall pay directly to T&T, as partial prepayment of the obligations due under the Note, the Lot Release Payment out of the proceeds of the sale of each such Housing Lot. In the event that all obligations due under the Note are eventually satisfied by such partial prepayments from sales of Housing Lots, then the Mortgagor shall with each subsequent sale of a Housing Lot deliver the Lot Release Payments to Bourque in escrow per the Investment Agreement, which proceeds shall be held and distributed as set forth in the Investment Agreement.

Capitalized terms herein shall have the meanings set forth on Page 1 of this Mortgage or otherwise as defined herein. Paragraph captions are used only for convenience and are not intended to import additional or different meanings from the text of such paragraphs or to limit such texts.

In case any provision of the Note, this Mortgage or any instrument executed by any person or organization in connection therewith shall be found unenforceable or invalid for any reason, the enforcement of any other provision shall be deemed modified to the extent necessary to be enforceable or if such modification is not practicable, such provision shall be deemed deleted from this Mortgage.

This Mortgage is upon the STATUTORY CONDITION and upon the further condition that all covenants and agreements of Mortgagor in the Note, this Mortgage and all other instruments executed in connection therewith and in all other mortgages, debts and obligations of or from Mortgagor to or for the benefit of Mortgagee shall be kept and fully performed, and upon any breach of the same, Mortgagee shall have the STATUTORY POWER OF SALE and any other powers given by statute.

The word "Mortgagor" as used herein means Mortgagor named herein, whether one or several, and also means any subsequent owner or owners of the equity of redemption of the premises, and all of the covenants and agreements of Mortgagor herein contained shall be binding upon Mortgagor, its heirs, executors, administrators, successors and assigns and shall be joint and several if more than one person constitute Mortgagor. The word "Mortgagee" as used herein means Mortgagee named herein and any subsequent holder or holders of this Mortgage.

This Mortgage is executed under seal this 15 day of June 2007.

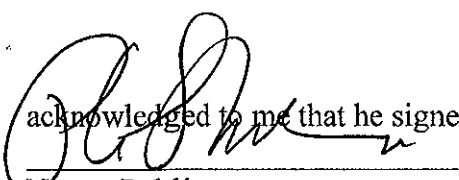
Coastal Realty Development, LLC

By: Jeffrey D. Gosciminski Manager
Jeffrey D. Gosciminski, Manager

By: John J. Maffei Manager
John J. Maffei, Manager

Commonwealth of Massachusetts
County of ~~Middlesex~~ ESSEX

On this 15th day of June, 2007, before me, the undersigned notary public, personally appeared Jeffrey D. Gosciminski and John J. Maffei,, Managers of Coastal Realty Development, LLC, proved to me through satisfactory evidence of identification, which were Massachusetts driver's licenses, to be the person whose name is signed on the preceding or attached document, and



acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public

My Commission Expires:

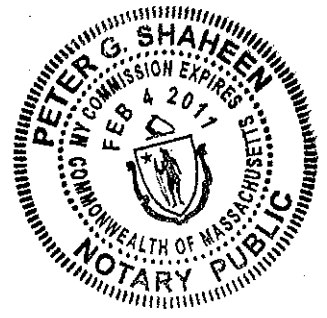


Exhibit A
Property Description

LOT 1

The land in Rochester with the buildings thereon, situated on both sides of a road leading from the premises formerly owned by Asa Coombs, deceased, to the premises formerly owned by Saleb Briggs, deceased now, called Snipatuit Road and bounded and described as follows:

EASTERLY: by land formerly owned by Briggs and the land conveyed by Mary E. Bennett to Rufus H. Small;

SOUTHERLY: by land formerly of Caleb Briggs and land now or formerly of a certain Rousneville;

WESTERLY: by land formerly of James Swift, deceased, and more likely owned by Mikah Bennett, deceased; and

NORTHERLY: by land formerly belonging to Asa Coombs, deceased.

Said premises being the former homestead farm of Mary E. Bennett and for a more particular reference is to be had of the deed of William Wilber to said Mary E. Bennett recorded in the Plymouth County Registry of Deeds and deed of John Bennett to Galen T. Bennett dated February 27, 1827 and recorded in said Registry of Deeds in Book 160, Pages 41 and 42, and the deed above mentioned from said Mary E. Bennett to said Rufus H. Small.

Excepting therefrom those prior conveyances of record to Scott Ashworth.

EXCEPTING that certain parcel of land in Rochester, Plymouth County Massachusetts, contained 87,363 S.F. (2.006 Ac.) being shown as Parcel "B" on the plan entitled "PLAN OF LAND 'TRAILSIDE' ESTATES' IN ROCHESTER, MASSACHUSETTS PREPARED FOR COASTAL REALTY DEVELOPMENT, LLC" dated February 24, 2006, revised March 2, 2006 to be recorded with the Plymouth County Registry of Deeds.

Subject to a reservation in favor of Kenneth A. Ashworth and Betty B. Ashworth, their successors and or assigns, as noted in the deed to Mortgagor referenced below, an easement for passage by foot and by vehicle over the driveway which passes over the southeast corner of Parcel "C" as shown on the above-referenced plan. Said easement is Appurtenant to Parcel "B" and serves Parcel B on the plan between Parcel B and Snipatuit Road.

For Grantor's Title see Deed dated November 13, 2006 and recorded at the Plymouth County Registry of Deeds in Book 33799, Page 74.

LOT 2

That certain parcel of land situated on the southwesterly side of Snipatuit Road in the Town of Rochester, Plymouth County, Massachusetts containing 57,442 S.F.(1.319 Ac.) being shown on the plan entitled "PLAN OF LAND 'TRAILSDIE' ESTATES' IN ROCHESTER, MASSACHUSETTS PREPARED FOR COASTAL REALTY DEVELOPMENT, LLC." dated February 24, 2006, revised March 2, 2006 and bounded and described as follows:

Beginning at the southeast corner of the premises to be described at a point in the southwesterly sideline of Snipatuit Road at the northeast corner of remaining land of Scott and Wendy Ashworth;

Thence SOUTH, 67°-14'-44" WEST by last named land, 122.68 feet to a point;

Thence SOUTH 17°-13'-13" EAST by last named land, 104.76 feet to a point;

Thence SOUTH 23°-05'-00" WEST by last named land, 22.99 feet to a point;

Thence SOUTH 16°-14'-04" EAST by last named land, 97.80 feet to a point;

Thence SOUTH 74-10'-45" WEST by last named land to a point in the northeasterly line of land now or formerly of Kenneth A. Ashworth, et ali shown as Lot 17 on Rochester Assessors' Map 47;

Thence Northwesterly in the line of said Kenneth A. Ashworth, et ali to the Southerly line of land now of formerly of Melissa M. Duffy shown as Lot 18 on Map 47;

Thence NORTH 82°-07'-55" EAST by said Duffy land, 300.00 feet to a pint in the southwesterly sideline of the aforesaid Snipatuit Road;

Thence SOUTH 36°-38'-30" EAST in said sideline 57.73 feet to a point;

Thence SOUTH 37°-53'-10" EAST still in said sideline, 43.55 feet to the corner first mentioned and the point of beginning.

Being a portion of the land conveyed to Scott A. Ashworth and Wendy J. Ashworth by a deed dated September 9, 1998 and recorded at the Plymouth County Registry of Deeds in Book 16593, Page 060. For Mortgagor's title, see deed of Scott A. Ashworth and Wendy J. Ashworth dated November 13, 2006 recorded at the Plymouth County Registry of Deeds in Book 33799, Page 97.

But excluding the following parcel:

That certain parcel of land situated on the southwesterly side of Snipatuit Road in the Town of Rochester, Plymouth County, Massachusetts containing 45,406 S.F. (1,042 Ac.)

being shown on the plan entitled "PLAN OF LAND 'TRAILS DIE' ESTATES' IN ROCHESTER, MASSACHUSETTS PREPARED FOR COASTAL REALTY DEVELOPMENT, LLC." dated February 24, 2006, revised March 2, 2006, to be recorded in the Plymouth County Registry of Deeds, and bounded and described as follows:

Beginning at the southeast corner of the premises to be described at a point in the southwesterly sideline of Snipatuit Road at the northeast corner of PARCEL "B" as shown on the above referenced plan;

Thence SOUTH 55°-59'-28" WEST by said PARCEL "B", 92.94 feet to a point;

Thence SOUTH 51°-06'-59" WEST by said PARCEL "B" and PARCEL "C" as shown on said plan 232.77 feet to a point;

Thence NORTH 36°-16'-07" WEST by said PARCEL "C" 212.58 feet to a point;

Thence NORTH 74°-10'-45" EAST by said PARCEL "C" to land now or formerly of Scott and Wendy Ashworth which is shown as LOt17A on Rochester Assessors Map 47;

Thence Southeasterly in the line of said Scott and Wendy Ashworth, Lot 17A, to a corner;

Thence Northeasterly again in the line of said Scott and Wendy Ashworth, Lot 17A, to a point in the southwesterly sideline of the aforesaid Snipatuit Road;

Thence South 37°-53'-10" EAST in said sideline to the corner first mentioned and the point of beginning.

Being a portion of the land now or formerly owned by Kenneth A. Ashworth et ali as described in a deed dated February 8, 2005 and recorded at the Plymouth County Registry of Deeds in Book 30384, Page 243-245.

The within parcel is the southerly part of PARCEL "A" shown on said plan.

EXHIBIT "B"

**Wire Instructions to the Deposit Account
of Coastal Realty Development LLC**

EXHIBIT "C"

Construction Proposal from Coastal Realty Development LLC

EXHIBIT "D"

**Form of Amended Operating Agreement
for Coastal Realty Development LLC**