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MORTGAGE AND SECURITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that Elan One, a Maine corporation having its principal place of business at The Elan School at Rolly's Camp Road, Upper Range Pond, Poland, Maine and having a mailing address of R.R. 1, Box 370, Poland Spring, Maine, 04274-9711 (hereinafter, "Grantor"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does give, grant, bargain, sell, assign, and convey unto Gerald E. Davidson, 185 Buckminster Road, Brookline, Massachusetts 02146, (hereinafter "Grantee"), his heirs and assigns forever, to secure payment by Joseph J. Ricci of One Million Eight Hundred Thousand Dollars ($1,800,000.00) with interest on a portion thereof as applicable, in accordance with the terms and conditions of a certain Promissory Note of even date given by Joseph J. Ricci to Gerald E. Davidson and to secure other obligations, all as hereinafter set forth, certain lands with the buildings, fixtures and other improvements now and hereafter situated thereon, with all rights and easements appurtenant thereto, situated in Falmouth, County of Cumberland and State of Maine, and being more particularly described in Exhibit A, attached hereto, which Exhibit is hereby made a part hereof by reference.

Also conveying, assigning and granting hereby, as part of the premises mortgaged hereunder, as collateral under the within security agreement, and as further security for payment of the indebtedness and performance of the obligations, covenants and agreements secured hereby, all of the following described property:

I. All plumbing, heating, lighting, refrigerating, ventilating and air conditioning apparatus and equipment, garbage incinerators and receptacles, elevators and elevator machinery, boilers, tanks, motors, sprinkler and fire extinguishing systems, doorbell and alarm systems, screens, awnings, screen doors, storm and other detachable windows and doors, mantles, built-in cases, and other equipment, machinery, furnishings, personal property and fixtures now or hereafter affixed to the above described premises, placed upon or used thereon or in connection therewith, and which may now be owned or may be hereafter owned by Grantor, as well as any replacements, additions, substitutions and accessions of or to the same, all of which are covered by this mortgage, and whether or not such property is subject to prior conditional sales agreements, security agreements, mortgages or other liens, together with all building materials, supplies and all other tangible personal property used or usable in the construction of buildings or other improvements on the premises.

II. All rents, profits, revenues, royalties, bonuses, rights, and benefits under any and all leases or tenancies now existing or hereafter created on or with respect to the above described premises or any part thereof, with the right to receive and apply the same to said indebtedness, and Grantee may demand, sue for and recover such payments, but shall not be required to do so; provided, however, that so long as Grantor is not in default hereunder, the right to receive and retain such rents, issues and profits is reserved to Grantor. To carry out the foregoing, Grantor agrees (i) to execute and deliver to Grantee such conditional assignments of leases and rents applicable to the mortgaged premises as the Grantee may from time to time request while this mortgage and the debt secured hereby are outstanding, and further, (ii) not to enter into or agree to cancel or accept a surrender of, anticipate any rentals under, or modify any, such leases or tenancies, or consent to an assignment or subletting thereof, in whole or in part, without Grantee's written consent. Nothing herein shall obligate the Grantee to perform the duties of the Grantor as landlord or lessor under any such leases or tenancies, which duties Grantor hereby covenants and agrees to well and punctually perform.

III. All judgments, awards of damages and settlements hereafter made as a result or in lieu of any taking of the premises or any interest thereon or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the premises or the improvements thereon or any part thereof, including any award for change of grade of streets. Grantee may apply all such sums or any part thereof so received on the indebtedness secured hereby in such manner as it elects or, at its option, the entire amount or any part thereof so received may be released. Grantor hereby irrevocably authorizes and appoints Grantee its attorney-in-fact to collect and receive any such judgments, awards and settlements from the authorities or entities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefor, and to apply the same to payment on account of the debt secured hereby, whether then matured or not; and the Grantor will execute and deliver to the Grantee on demand such assignments and other instruments as the Grantee may require for said purposes and will reimburse the Grantee for its costs (including reasonable counsel fees) in the collection of such judgments and settlements. Grantee shall not be obligated to act in its capacity as attorney-in-fact nor shall it be liable for any acts or omissions in such capacity.

IV. All proceeds of any of the foregoing in whatever form and whatever description, provided however, that the granting of an interest in proceeds shall not be taken as evidence of Grantee's consent or permission to the sale, encumbrance, transfer or other disposition of any of the foregoing.

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Receipt of any awards, credits, monies or evidences thereof, pursuant to the provisions of the foregoing paragraphs and any disposition of the same by Grantee shall not constitute a waiver of the right of foreclosure by Grantee in the event of default or failure of performance by Grantor of any covenant or agreement contained herein or any note secured hereby.

Grantor hereby grants Grantee a security interest in all the goods and items of property hereinabove described as security for the payment of the indebtedness and performance of the obligations described or referred to herein.

This document shall be effective as a financing statement filed or recorded as a fixture filing with respect to the above-described property.

TO HAVE AND TO HOLD the aforegranted and bargained premises, with all the privileges and appurtenances thereof, to Grantee, its successors and assigns, to its and their use and behoof forever; PROVIDED NEVERTHELESS, that if Joseph J. Ricci pays to Grantee the sum of One Million Eight Hundred Thousand Dollars ($1,800,000.00), with interest as applicable, in accordance with all the terms and conditions of the Promissory Note of Joseph J. Ricci of even date herewith, and if Joseph J. Ricci shall perform all other obligations owed to Ricci under this Agreement between Ricci and Grantee of even date herewith, may be renewed, extended and modified from time to time, and until such payment, Grantor performs all of Grantor's obligations, covenants and agreements contained herein and contained in said note and related agreement, this Mortgage and Security Agreement shall be void, but otherwise shall remain in full force.

Grantor covenants and agrees as follows:

1. Grantor is lawfully seized in fee of all of the afore-described premises, properties and rights, free of all encumbrances, except as may have been specifically noted in Exhibit A attached hereto, and has good right to sell and convey the same to the Grantee to hold as aforesaid, and that the Grantor shall and will warrant and defend the same to the said Grantee, its successors and assigns forever, against the lawful claims and demands of all persons, except as aforesaid.

2. Grantor shall pay, when due, all taxes and assessments of every type or nature levied or assessed against the premises and any claim, lien or encumbrance against the premises.

3. Grantor shall keep the premises insured against loss or damage by fire, the perils against which insurance is afforded by the Extended Coverage Endorsement, and such other risks and perils as Grantee in its discretion may require. The policy or policies

of such insurance shall be in such form and shall be in such amount as Grantee may require, but in no event for less than the amount sufficient to provide for payment in full of the amounts secured hereby in the case of total loss and the actual cash value of the loss in the case of partial loss without deduction or reduction on account of any "co-insurance" (or similar) provision in such policy or policies, or otherwise; shall be issued by a company or companies approved by Grantee; and shall contain the standard Maine Mortgagee Clause with loss payable to Grantee. Grantor shall at all times maintain public liability insurance and such other insurance in such form and amounts as Grantee may require. Whenever required by Grantee, all policies shall be delivered immediately to and held by Grantee.

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4. Grantor (i) shall maintain the premises and property subject hereto in good condition and repair; (ii) shall not commit or suffer waste thereof or thereon; (iii) shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the premises, and will not suffer or permit any violation thereof.

5. No delay by Grantee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

6. Without affecting the liability of Grantor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Grantee with respect to any security not expressly released in writing, Grantee may at any time and from time to time, either before or after the maturity of any amount due, and without notice or consent: (i) release any person liable for payment of all or any part of the indebtedness or for performance of any obligation; (ii) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligations, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (iii) exercise or refrain from exercising or waive any right Grantee may have; (iv) accept additional security of any kind; and/or, (v) release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

7. Grantee, at its option, may accelerate the maturity of the indebtedness secured by this mortgage and may exercise its default remedies, including foreclosure of this mortgage in the event the owner of the mortgaged premises, during the period of such ownership, liquidates, dissolves, ~~merges or consolidates with another corporation or partnership~~, or files, or has filed against

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it, a petition in bankruptcy, or commences, or has commenced against it, any proceeding under any bankruptcy reorganization, arrangement, receivership, liquidation or dissolution law or statute of any jurisdiction, or makes an assignment for the benefit of creditors.

8. If, at any time, the then existing use or occupancy of the mortgaged premises shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, then Grantor shall not cause or permit such use or occupancy to be discontinued without the prior written consent of the Grantee, which consent shall not be unreasonably withheld or delayed.

9. It is an additional condition of the Grantor herein for breach of which foreclosure may be claimed and for breach of which all indebtedness secured hereby may be declared due and payable at once, that, without Grantee's prior written consent, title ownership, right of possession or any other interest in or to the within described mortgaged premises shall not pass from Grantor by deed, mortgage, lease or otherwise, or from any subsequent title holder, either voluntarily or involuntarily, by operation of law or otherwise. This condition shall continue until all indebtedness and obligations secured hereunder are satisfied, and permission given, or election not to foreclose or accelerate said indebtedness by Grantee, its successors or assigns, as to any one such transfer, shall not constitute a waiver of any rights of Grantee, its successors or assigns, as to any subsequent such transfer of title as to which this condition shall remain in full force and effect. The term title as used herein shall mean the estate of the Grantor subject to the lien of the mortgage. Notwithstanding the foregoing provisions of this paragraph, the Grantee expressly consents to the granting by the Grantor of any mortgage ~~to a state or federally chartered lending institution having an established place of business in the City of Portland, State of Maine~~, provided that the full amount of money secured by any such mortgage, upon the granting of such mortgage shall be paid over to the Grantee for application against the sums owed to the Grantee which are secured by this mortgage and in connection with any such mortgage loan, the proceeds of which are paid over to Grantee, the Grantee, the Grantee shall cause this mortgage to be made subordinate to such other mortgage. (X) provided that the term of such mortgage is not shorter than the term remaining on this note secured hereby, and that the interest rate on said new debt is not greater than the rate on the note secured hereby plus one percentage point

10. The Grantee, its successors and assigns, for breach of any term, condition, covenant or agreement contained or referred to herein, shall have the right, at its sole option, but only after giving written notice of default to Grantor and such default is not cured within ~~fifteen (15)~~ THIRTY (30) days of the mailing of such notice, to accelerate any and all indebtedness secured hereby, the right of foreclosure and any and all other rights and remedies given to a Mortgagee and Secured Party under this Mortgage and Security Agreement and any instrument it secures, the Maine

(*) Notwithstanding anything else to the contrary herein, as to any non voluntary non monetary default hereunder & under the note secured hereby, Grantor shall have 60 days to cure any such default, and as to any voluntary non-monetary default hereunder & under the note secured hereby, Grantor shall have 30 days to cure any such default.

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Uniform Commercial Code and the law of Maine as it is on the date hereof or as it may be at the time Grantee exercises such right or rights, all of which rights and remedies shall be cumulative and nonexclusive to the extent permitted by law. Grantor agrees that all rights of Grantee as to real and personal property and rights and interests appurtenant thereto may be exercised together or separately, and further agrees that in exercising its power of sale as to said real and personal property and rights and interest appurtenant thereto, the Grantee may sell the personal property or any part thereof either separately from or together with the real estate, rights and interest appurtenant thereto, or any part thereof, all as the Grantee may in its discretion elect. *

Further, the Grantee, its successors and assigns, shall, to the extent permitted by law, have The Statutory Power Of Sale in addition to any other remedies for breach of any covenant, condition or agreement herein contained.

13. If any obligation or portion of this Mortgage and Security Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof.

14. The word "Grantor" as used herein means the Grantor 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 the Grantor herein contained shall be joint and several if more than one person constitute the Grantor. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and assigns of the Grantor and Grantee. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the aforesaid Elan One has caused this instrument to be executed in its corporate name and sealed with its corporate seal by Joseph J. Ricci, its President, thereunto duly authorized, this 2nd day of March, in the year of our Lord one thousand nine hundred and ninety.

Signed, Sealed and Delivered
in the Presence of:

ELAN ONE

Witness

By: _____
Joseph J. Ricci
Its President

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STATE OF MAINE
CUMBERLAND, ss

March 2, 1990

Personally appeared the above named Joseph J. Ricci, President of said corporation, and acknowledged the above instrument to be his free act and deed and the free act and deed of said corporation.

Before me,

Edward S. MacColl
Notary Public
Attorney at Law

Edward S. MacColl
Typed or Printed Name

OVER

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EXHIBIT A

Two certain lots or parcels of land with the buildings thereon, situated in Poland, County of Androscoggin and State of Maine, bounded and described as follows:

Parcel One. Beginning at an iron post set in a stone wall at the corner of the second parcel of land described in a deed from Hiram Ricker & Sons to Else R. Strauss dated May 10, 1948, recorded in the Androscoggin County Registry of Deeds in Book 626, Page 152, and thence the line runs in a northeasterly direction along the boundary line between the land hereby conveyed and said property conveyed to Strauss, a distance of five hundred and eighty (580') feet to a point; thence the line runs in a southeasterly direction maintaining a course parallel to the aforementioned stone wall a distance of one thousand five hundred (1,500') feet to a point; thence the line runs in a southwesterly direction maintaining a course parallel to the first course above described to the road leading from the North Raymond Road, so-called to the former Strauss premises known as Rolly's Camp; thence the line runs in a northwesterly direction along said road leading to Rolly's Camp, so-called, to the entrance to said Rolly's Camp marking the southeasterly end of the aforementioned stone wall and the property line between the property hereby conveyed and other property formerly of said Strauss known as Rolly's Camp; thence the line runs in a northwesterly direction along the second parcel of land described herein being a stone wall a distance of three hundred thirty-two (332') feet to the iron post marking the point of beginning.

Parcel Two. Beginning at a point about one-quarter mile northerly from the main road leading from Range Hill to North Raymond at a point where an old road leads to the number six (6) lot and at a point where said old wood road joins with the land described as Parcel One above; thence the line runs in a northwesterly direction along said first parcel and along land formerly of Hiram Ricker & Sons to an iron post set in the ground near the shore of Upper Range Pond; thence the line runs in a southwesterly direction roughly parallel with the shore of said pond a distance of four hundred eighty-two (482') feet, more or less in a straight line and to a point on the shore marked by an iron stake set in the ground, which iron stake designates the most northerly corner of a triangular parcel of land conveyed by these Grantors to Robert D. MacKerron by deed dated January 24, 1974, to be recorded herewith in said Registry of Deeds; thence the line runs in a general southeasterly direction along said triangular parcel conveyed to Robert D. MacKerron (said line to be marked by a wood and

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wire fence) a distance of two hundred sixteen (216') feet, more or less, to a stake and stones designating the most southerly corner of said triangle and the most easterly corner of a parcel of land conveyed by these Grantors to said Robert D. MacKerron by deed dated September 26, 1972, recorded in said Registry of Deeds in Book 1078, Page 20; thence the line runs in a southwesterly direction along the premises described in said recorded deed to Robert D. MacKerron and along the southwesterly line of land conveyed by these Grantors to Mark Alan William et al by deeds dated November 3, 1971, recorded in said Registry in Book 1043, Page 594 and Book 1043, Page 597, a distance of slightly more than one hundred (100') feet to an iron post set in the ground in a wire fence which iron post constitutes the point of beginning as contained in a mutual dividing line established by exchanged deeds between Else R. Strauss and Iva Hunnewell dated November 8, 1945, recorded in said Registry in Book 570, Page 31, and Book 570, Page 30; thence the line runs in a southeasterly direction along said wire fence a distance of four hundred and fifty-eight and five tenths (458.5') feet to an iron pin; thence the line runs in a southeasterly direction along said wire fence a distance of three hundred sixty-seven and two tenths (367.2') feet to the terminus of the third course as it was actually described in the third parcel contained in a deed given by Else R. Strauss to Charles R. King dated September 10, 1959 and recorded in said Registry in Book 812, Page 66; thence the line runs in an easterly direction along said old wood road to the point of beginning. Also including any land between extensions northwesterly of the first and third courses above described to the low water mark of Upper Range Pond.

This conveyance includes a perpetual easement to use the right of way described in a deed given by Elmer W. Chipman to Else R. Strauss dated December 30, 1935 and recorded in said Registry in Book 455, Page 119, in common with Charles R. King, his heirs and assigns.

This mortgage is subject to a prior mortgage in favor of Peoples Heritage Bank in the approximate amount of $192,000 and also subject to an attachment in favor of MARTHA Amsbury in the approximate amount of $65,000

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ANDROSCOGGIN, SS.
REGISTRY OF DEEDS

see env. 22.00
Petruccelli, Cox & Martin
PO Box 9733
Port. 04104-5033