

Prepared By and Return to:

Mette, Evans & Woodside
3401 North Front Street
Harrisburg, PA 17110
Attn.: Heather Z. Kelly, Esquire

Tax Parcel No.: 04-029-013

OPEN-END MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE IS AN OPEN-END MORTGAGE SECURING FUTURE ADVANCES UP TO A MAXIMUM PRINCIPAL AMOUNT OF \$300,000.00, PLUS ACCRUED INTEREST AND OTHER INDEBTEDNESS AS DESCRIBED IN 42 PA.C.S.A. §8143

THIS OPEN-END MORTGAGE AND SECURITY AGREEMENT (together with any amendments, restatements or other modifications, this "**Mortgage**") is entered into as of February 26, 2013 by and between PINE STREET, LLC, a Delaware limited liability company maintaining an address of One Dag Hammarskjold Plaza, 885 Second Avenue, 34th Floor, New York, NY 10017 ("**Mortgagor**"), in favor of METRO BANK, a bank organized and existing under the laws of the Commonwealth of Pennsylvania (together with its successors and assigns, "**Lender**"), with an address of 3801 Paxton Street, Harrisburg, Pennsylvania 17111.

RECITALS:

A. On or about June 20, 2008, Lender made a loan to Roy J. Wells and Jacob A. Frydman in the principal amount of \$300,000.00 ("**Loan**") pursuant to the terms and conditions of the Loan Agreement (as hereinafter defined), which Loan is evidenced by a June 20, 2008 Promissory Note in the principal amount of the Loan (together with all replacements, substitutions, amendments, restatements and/or modifications thereof, the "**Note**"). The willingness of Lender to make the Loan is conditioned upon, among other things, the execution and delivery of this Mortgage to Lender. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

B. By an October 18, 2012 Assignment, Assumption and Novation Agreement (the "**Novation Agreement**"), Mortgagor assumed all of the obligations of Jacob A. Frydman to Lender, including the repayment obligations under the Note.

C. Of concurrent date herewith, Lender and Mortgagor have entered into a Forbearance Agreement and First Note Promissory Note Modification for the Loan, as well as a First Note Modification for a related loan to Mortgagor.

D. The willingness of Lender to enter into the Forbearance Agreement, First Promissory Note Modification and First Note Modification is conditioned upon, among other things, the execution and delivery of this Mortgage to Lender. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

E. In order to induce Mortgagee enter into the Forbearance Agreement, First Promissory Note Modification and First Note Modification, from which Mortgagor will derive substantial economic or other benefits, Mortgagor has agreed to execute and deliver this Mortgage to Mortgagee.

TERMS OF MORTGAGE:

NOW, THEREFORE, in consideration of the above recitals, and intending to be legally bound hereby, Mortgagor agrees as follows:

ARTICLE I. CONSTRUCTION OF MORTGAGE AND DEFINITIONS

Section 1.01 Defined Terms. As used in this Mortgage, the following terms shall have the indicated meanings:

"Event of Default" has the meaning given to that term in Section 4.01 of this Mortgage.

"Land" has the meaning given to that term in Section 2.01(a) of this Mortgage.

"Lease" means any and all leases, occupancy or use agreements, licenses, installment sale or purchase options of whatever form now existing or hereafter made and affecting the Mortgaged Property or any part thereof, together with any and all extensions, renewals, replacements, modifications and guaranties thereof.

"Loan Agreement" means the Business Loan Agreement dated on or about June 20, 2008 between Mortgagor and among Jacob A. Frydman and Roy J. Wells, relating to the Loan, as the same may be replaced, substituted, amended, restated and/or modified from time to time.

"Loan Documents" means and includes any and all loan agreements, security agreements, financing statements, promissory notes, environmental indemnity and responsibility agreements, subordination agreements, nondisturbance and attornment agreements, waivers, consents, leases, contracts, guaranties, instruments, assignments, collateral assignments, assignments of leases and rents, mortgages, interest rate swap agreements (including, but not limited to an ISDA master swap agreement), interest rate cap agreements and interest rate collar agreements, or any other agreements or arrangements with respect to the Loan and designed to protect Mortgagor against fluctuations in interest rates or currency exchange rates, commitment letters and documents and any other agreement, now or hereafter existing between Lender and any Obligor and evidencing, guaranteeing, securing or in any other manner relating to any of the Obligations.

"Mortgage" means this Open-End Mortgage and Security Agreement.

"Mortgaged Property" has the meaning given to that term in Section 2.01 of this Mortgage.

"Note" has the meaning given to that term in Recital A of this Mortgage.

"Obligations" means (a) the entire outstanding principal balance of the Loan, all accrued and unpaid interest (including, without limitation, default interest), late charges and prepayment premiums due hereunder, under the Note and under the other Loan Documents, all sums advanced to preserve or protect the Mortgaged Property, all costs and expenses (including, without limitation, attorneys' fees) incurred by Lender in connection with the Loan (including, without limitation, all costs and expenses incurred in enforcing any rights or collecting any sums owing under the Loan Documents, including all costs and expenses in connection with suit), and all other moneys and sums owing or to be owing, or otherwise agreed to be paid by Mortgagor or any other Obligor, hereunder, under the Note and under the other Loan Documents, (b) the liabilities and obligations of Mortgagor or any Obligor to Lender under the Loan Documents and (c) all other present and future debts, liabilities and obligations of Mortgagor or any other Obligor to Lender of every kind and description, whether matured or unmatured, direct or indirect, absolute or contingent, joint or several, and whether or not now contemplated, including all extensions, modification and renewals thereof and all substitutions therefor.

"Obligor" means (a) Mortgagor, (b) any Person that, whether on or prior to the date hereof or in the future, has guaranteed, has agreed to act as surety for, or has granted or conveyed a mortgage, security interest, assignment, or pledge to Lender as collateral or security for all or any portion of the Obligations, and (c) any other obligor with respect to any of the liabilities or obligations under the Note or any other Loan Documents now or hereafter arising.

"Permitted Encumbrances" means only those exceptions to title which (a) are particularly described in the title insurance commitment (issued by a title insurance company approved by Lender) to issue a mortgagee's title insurance policy, or, as applicable, in the *pro forma* mortgagee's title insurance policy (issued by a title insurance company approved by Lender), in favor of, given to and approved by Lender with respect to this Mortgage and (b) have been approved by Lender.

"Person" means any natural person, individual, corporation, limited liability company, joint venture, estate, trust, association, organization, company, partnership or any other form of entity, or any government or any agency or political subdivision thereof, and any fiduciary acting in such capacity on behalf of any of the foregoing.

"UCC" means the Uniform Commercial Code as in effect in the Commonwealth of Pennsylvania, as amended or modified from time to time.

Section 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument, other document or statute herein shall be construed as referring to such agreement, instrument, other document or statute as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof, and (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Mortgage.

Section 1.03 Joint and Several Liability. If the term "Mortgagor" includes more than one Person, then the Obligations of Mortgagor hereunder shall be joint and several, and each such Person shall be deemed to have made all representations and warranties herein set forth and to be obligated to perform all of the covenants and Obligations of Mortgagor contained herein.

ARTICLE II. GRANT OF MORTGAGE, GRANT OF SECURITY INTEREST AND ASSIGNMENT OF RENTS

Section 2.01 Grant of Mortgage. To secure the payment and performance of the Obligations, Mortgagor hereby grants, conveys and assigns to Mortgagee, and grants to Mortgagee a lien and security interest in, all of the following (collectively, the "**Mortgaged Property**"):

(a) *Land*. All that certain real property located at 116 Pine Street, Harrisburg, Dauphin County, Pennsylvania 17110 as more fully described on the legal description attached hereto, and made a part hereof, as **Exhibit A ("Land")**; and

(b) *Property Located on or Used in Connection with Land*. (i) All buildings, structures, fixtures and improvements of every kind and description owned and/or leased by Mortgagor and now or hereafter erected or placed on the Land; (ii) all tenements, hereditaments, appurtenances and all the estates and rights of Mortgagor in and to the Land or any part thereof; (iii) all streets, roads, passages, ways, waters, water courses, easements, and privileges of whatsoever kind or character, belonging to, and adjoining, used in connection with or in any way appertaining to the Land; (iv) all reversions, remainders, easements, rents, issues, income and profits arising or issuing from the Land and/or the buildings, structures and improvements now or hereafter owned by Mortgagor and erected or placed thereon, or any portion thereof, including, but not limited to, the rents, issues, income and profits arising or issuing from all insurance policies, sale agreements, licenses, options, leases and subleases now or hereafter entered into by Mortgagor covering any part of the Land and/or the buildings, structures and improvements now or hereafter erected or placed thereon, or any portion thereof, all of which insurance policies, sale agreements, licenses, options, leases, subleases, rents, issues, income and profits are hereby assigned to Mortgagee by Mortgagor and as to which Mortgagor will execute and deliver to Mortgagee,

on demand, such separate, specific assignments and instruments as Mortgagee may require to implement, confirm, maintain and continue the assignment hereunder; (v) all awards, damages, payments and other compensation, and any and all claims therefor, and rights thereto, which may result from taking or injury by virtue of the exercise of the power of eminent domain of, or to, or any damage, injury or destruction in any manner caused to, the Land and/or the buildings, structures and improvements now or hereafter erected or placed thereon, or any portion thereof, all of which award, damages, payments, compensation, claims and rights are hereby assigned to Mortgagee to the fullest extent that Mortgagor may do so under law and as to which Mortgagor hereby appoints Mortgagee, its designees and nominees, as Mortgagor's agents and attorneys-in-fact to collect any such awards, damages, payments and compensation; and (vi) all fixtures, fittings, furnishings, furniture, trade fixtures, machinery, equipment, inventory, apparatus, building materials, appliances, goods, supplies, tools, chattels, and all articles of tangible personal property of whatever kind and nature, owned by Mortgagor, together with all replacements thereof, substitutions therefor and additions and accessions thereto, and all proceeds and profits thereof and therefrom, now or at any time hereafter, affixed or attached to, installed upon, included within, or used in any way in connection with the construction, use, enjoyment, operation, maintenance or occupancy of the Land and the buildings, structures and improvements now or hereafter erected or placed thereon; and, with respect thereto, all agreements, contract rights, chattel paper, negotiable instruments, general intangibles, accounts, instruments, contract rights, securities, documents, negotiable documents, securities entitlements, letter of credit rights, deposit accounts, payment intangibles, investment property, advices of credit or receivables (as those terms are defined in the UCC) to which Mortgagor is a party or in which Mortgagor has any rights, title or interests.

Section 2.02 Grant of Security Interest. As further security for the payment and performance of the Obligations, Mortgagor hereby grants to Mortgagee a security interest under the UCC in, among other things, all fixtures, furnishings, furniture, floor coverings, equipment, trade fixtures, appliances, machinery, supplies, tools, accessories, operating inventory accounts, contract rights, chattel paper, general intangibles and all other personal property now or hereafter owned by Mortgagor and now or hereafter located on the Land, the proceeds thereof and profits therefrom, replacements and substitutions therefor, additions and accessions thereto and all of Mortgagor's right, title and interest in and to all insurance policies, all proceeds of insurance policies, all unearned premiums paid by Mortgagor, accrued or to accrue under all insurance policies, irrespective of who maintains such insurance, including but not limited to Mortgagor or any tenant at the Mortgaged Property, and all proceeds arising from condemnation proceedings applicable to all or any part of the Mortgaged Property. Mortgagor acknowledges that this Mortgage constitutes a security agreement under the UCC, and Mortgagor authorizes Mortgagee to execute and file any financing statements, continuation statements and other instruments as Mortgagee may from time to time require in order to perfect, confirm and maintain Mortgagee's security interest under the UCC. Mortgagor hereby irrevocably appoints Mortgagee, its designees and nominees, as Mortgagor's agents and attorneys-in-fact to execute, deliver and file, on Mortgagor's behalf and in its name, any such financing statements, continuation statements, and other instruments, and to take such other actions, as Mortgagee, in its sole discretion, deems necessary to protect and enforce the security interest granted herein. Mortgagor hereby warrants, certifies, covenants and represents to Mortgagee that Mortgagor is and will be the owner of every item of the personal property listed in this Section 2.02, free from any leases, conditional sales, chattel mortgages, security interests, liens or encumbrances other than the security interest hereby created or as otherwise approved in writing by Mortgagee.

Section 2.03 Assignment of Rents and Leases. As further security for the payment and performance of the Obligations, Mortgagor hereby assigns and transfers unto Mortgagee, its successors and assigns: (a) all rights, title, interest and privileges which Mortgagor has or may have in the Leases; and (b) all rents, income, and profits due or to become due under the Leases, or any of them, or arising or accruing from or relating to the Mortgaged Property, or any portion thereof, or the use thereof. The foregoing assignment shall include all fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties, and all cash or securities deposited under Leases to secure performance of lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more installments of rent coming due prior to the expiration of such terms. The foregoing assignment extends to rents, issues and profits arising both before and after the commencement by or against Mortgagor of any case or proceeding under any federal or state bankruptcy, insolvency or similar law, and is intended as an absolute assignment and not merely the granting of a security interest. Mortgagor hereby confers upon Mortgagee the right to enter upon and take possession of the

Mortgaged Property, or any portion thereof, and the right, with or without taking possession of the Mortgaged Property, to collect and receive all rents, income and profits accruing from the Leases and from the Mortgaged Property. Mortgagor will, immediately upon request by Mortgagee, execute, acknowledge and deliver to Mortgagee a specific, separate assignment of rents and leases with respect to the Mortgaged Property and a specific, separate assignment of any individual Lease, together with such consents, acknowledgments, agreements and certificates of the tenants of the Mortgaged Property as Mortgagee may request.

Section 2.04 Lien of Mortgage.

(a) *Purchase Money Mortgage.* If all or any part of the Obligations or the proceeds thereof were used in whole or in part to fund the acquisition of all or any part of the Mortgaged Property, this Mortgage shall constitute a purchase money mortgage as defined in 42 Pa.C.S.A. §8141 and shall be entitled to all benefits as such.

(b) *Open-End Mortgage.* This Mortgage is an "Open-End Mortgage" as defined in 42 Pa.C.S.A. §8143 and secures all existing and future advances and re-advances under the Loan Documents. This Mortgage also secures advances for the payment of taxes and municipal assessments, maintenance charges and insurance premiums, costs incurred for the protection of the Mortgaged Property (as hereinafter defined) or the lien of this Mortgage and expenses incurred by Mortgagee by reason of default by Mortgagor under this Mortgage or under the Loan Documents, together with all other sums due hereunder or secured hereby, plus accrued and unpaid interest.

Section 2.05 Defeasance. If the Obligations are paid and performed in full, and if Mortgagor pays all satisfaction fees and costs, including the recording costs for any satisfactions and termination statements, then this Mortgage and the estate, right, title and interest of Mortgagee in and to the Mortgaged Property shall cease and become void.

ARTICLE III. REPRESENTATIONS, WARRANTIES AND COVENANTS

Until the Obligations are paid and performed in full, Mortgagor covenants, represents, promises, warrants and agrees to and with Mortgagee as follows:

Section 3.01 Title and Authority. Mortgagor represents, warrants and covenants as follows:

(a) Mortgagor has good and marketable and unencumbered title in fee simple to the Mortgaged Property, and this Mortgage is a valid and enforceable lien on the Mortgaged Property, subject only to the Permitted Encumbrances, if any. Mortgagee shall, subject to Mortgagor's right of possession prior to an Event of Default, quietly enjoy and possess the Mortgaged Property. Mortgagor shall preserve such title as it warrants herein and the validity and priority of the lien hereof and shall forever warrant and defend the same to Mortgagee against the claims of all persons.

(b) Mortgagor is lawfully authorized to mortgage and encumber the Mortgaged Property.

(c) Mortgagor has not created, and will not create, or permit or suffer to be created, any liens, encumbrances or security interests in or on the Mortgaged Property, or any reservation of title by any party with respect to any portion of the Mortgaged Property, other than this Mortgage, other liens or security interests in favor of Mortgagee or the Permitted Encumbrances.

(d) Mortgagor will forever warrant and defend the title to the Mortgaged Property unto Mortgagee, its successors and assigns, against all persons and all claims of every kind and nature whatsoever.

(e) If Mortgagor is an entity, Mortgagor is duly organized, validly existing and in good standing under the laws of the jurisdiction of incorporation or formation set forth on the first page of this Mortgage, has the power and authority to own its properties and to carry on its business as now being and hereafter proposed to be

conducted and is duly qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization.

(f) Mortgagor has the full power, capacity, authority and legal right under all applicable laws to execute, deliver and comply with this Mortgage and each of the other Loan Documents to which it is a party, and all actions of Mortgagor and authorizations which may be necessary or appropriate for the execution and delivery of and compliance with this Mortgage and each other Loan Document to which it is a party have been taken or obtained and certified to Mortgagee.

(g) No consent, approval or other authorization of or by any court, administrative agency or other governmental authority is required in connection with the execution and delivery of, or compliance with, this Mortgage or any of the other Loan Documents to which Mortgagor is a party or any of the transactions contemplated therein.

(h) The execution and delivery of, and compliance with, this Mortgage and the other Loan Documents to which Mortgagor is a party will not conflict with any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental authority, or of any agreement or other document or instrument to which Mortgagor is a party or by which Mortgagor is bound, and such action will not result in the creation or imposition of any lien, charge or encumbrance upon any property of Mortgagor in favor of anyone other than Mortgagee, or if Mortgagor is an entity result in a breach of Mortgagor's organizational documents.

(i) There are no actions, suits or proceedings pending or, to the knowledge of Mortgagor, threatened against or affecting Mortgagor or any of the Mortgaged Property before or by any court, administrative agency or other governmental authority, or which brings into question the validity of the transactions contemplated hereby or which seeks to impose liability, damages, costs, expenses, fines or penalties with respect to any environmental condition relating to the Mortgaged Property.

(j) Mortgagor has not applied for, or consented to the appointment of, a receiver, trustee or liquidator of itself or any of its property, admitted in writing its inability to pay debts as they mature, made a general assignment for the benefit of creditors, been adjudicated bankrupt or insolvent or filed a voluntary petition in bankruptcy, or a petition or an answer seeking an arrangement with creditors or seeking to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution, receivership, liquidation or similar law or statute; no petition has been filed against Mortgagor in any proceeding under any such law, and no action has been taken by Mortgagor for the purpose of effecting any of the foregoing.

Section 3.02 Compliance with Environmental Laws and Regulations; Indemnity.

(a) Mortgagor has not used, manufactured, treated, stored, recycled, disposed of, released or discharged any hazardous, toxic or polluting substances on or into the Mortgaged Property in any manner which may require a response under any applicable law or regulation and Mortgagor, having made reasonable inquiries and/or investigation, has no knowledge of any other person or entity, including, without limitation, any previous owner or operator of the Mortgaged Property, having used, manufactured, treated, stored, recycled, disposed of, released or discharged any hazardous, toxic or polluting substances on or into the Mortgaged Property in any manner.

(b) Mortgagor, having made reasonable and diligent inquiries and investigations, has no knowledge of any violation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Clean Air Act, the Pennsylvania Hazardous Sites Cleanup Act of 1988, the Pennsylvania Clean Streams Law, the Pennsylvania Solid Waste Management Act of 1980, the Pennsylvania Storage Tank and Spill Prevention Act of 1989, any rule or regulation promulgated pursuant to any of the foregoing statutes or any other applicable environmental law, statute, rule, regulation or ordinance (all of the foregoing, together with any all amendments and replacements thereof, are hereinafter sometimes collectively referred to as the "**Environmental Laws and Regulations**") by Mortgagor, any affiliate, agent or

independent contractor of Mortgagor or any other person or entity, including a previous owner or operator of the Mortgaged Property, with respect to the Mortgaged Property, and no such environmental liability exists on or in connection with the Mortgaged Property.

(c) Mortgagor has filed all applications, notifications and plans required by law and has obtained all permits and authorizations required by law which are necessary to carry on its business(es), and to the best of Mortgagor's knowledge, information and belief, the Mortgaged Property is in compliance with all applicable Environmental Laws and Regulations.

(d) Mortgagor has received no notice and is unaware that any real property or assets have been designated as a site on the National Priorities List or similar state list, or have been or are the subject of any removal or response action, private or governmental, under the Environmental Laws and Regulations, and that no requests have been received to provide information or participate in any study, remedial design or response action under such laws.

(e) Mortgagor, having made reasonable and diligent inquiries and investigations, has no knowledge that any notification has been filed with any state, federal or local agency with regard to the release or discharge of hazardous, toxic, or polluting substances on or into the Mortgaged Property which would result in liability for cleanup under any Environmental Laws and Regulations, or that any notice has been received from any governmental agency that the Mortgaged Property is subject to investigation, enforcement or cleanup liabilities under any such Environmental Laws and Regulations. Mortgagor shall immediately notify Mortgagee of any such notice filed or received by Mortgagor and shall promptly provide Mortgagee with a copy of such notice.

(f) Mortgagor has not received any claims, demands, notices of intent to file a claim, demand or lawsuit, notices of deficiencies, or requests for information relating to actual or potential actions brought by third parties for violations of any Environmental Laws and Regulations for which Mortgagor may be liable.

(g) Mortgagor shall duly observe, conform, obey and comply with, and shall cause its employees, agents and contractors to duly observe, conform, obey and comply with all requirements of any federal, state or local governmental authority affecting all or any part of the Mortgaged Property or the occupancy thereof or the business or operations now or hereafter conducted thereon, and will ensure that the present and currently contemplated future use and occupation of the Mortgaged Property will be in compliance with the Environmental Laws and Regulations. Notwithstanding the foregoing, if Mortgagor in good faith and by appropriate action, protest or proceeding shall contest the validity of any such requirement, law, rule or regulation, then Mortgagor shall not be required to comply with any such requirement, law, rule or regulation so long as the contest (i) operates to prevent enforcement thereof or the potential sale, forfeiture or loss of the Mortgaged Property; (ii) does not interfere with the use, occupancy or operations of the Mortgaged Property, the rent payable by tenants of the Mortgaged Property and the timely payment of all sums due hereunder; and (iii) is maintained and prosecuted with diligence and shall not have been terminated or discontinued adversely to Mortgagor.

(h) Mortgagor shall exercise due care with respect to any hazardous, toxic or otherwise polluting substances which may be used, manufactured, treated, stored, recycled, discharged, released, disposed of or otherwise placed on the Mortgaged Property, and Mortgagor will take reasonable precautions against the foreseeable acts or omissions of third parties with regard to the use, manufacture, treatment, storage, recycling, discharge, release, disposal or placement of hazardous substances on the Mortgaged Property and the environmental consequences that could foreseeably result from such acts or omissions. Mortgagor shall immediately notify Mortgagee and its successors in interest of any act or omission that could give rise to liability under any Environmental Laws and Regulations as soon as it occurs.

(i) Mortgagor, its successors and assigns hereby agree to be responsible for, defend, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns, from and against any and all losses, damages, expenses and costs, including reasonable attorneys' fees, consulting fees, and experts' fees which Mortgagee may hereafter suffer, incur or lay out, by reason of any liability arising out of or in relation to violations of any Environmental Laws and Regulations, claims, causes of action, demands, judgments, orders or proceedings, including but not limited to, claims resulting from environmental hazards, loss of life, injury to

persons, property or business, and/or damage to natural resources due to the acts or omissions of Mortgagor or any other person or entity, including third parties who have trespassed on the Mortgaged Property, during Mortgagor's ownership of the Mortgaged Property. Mortgagor, its successors and assigns, shall bear, pay and discharge, when and as the same become due and payable, any and all such judgments or claims for contribution, indemnification, damages, penalties and attorneys', consulting and experts' fees or otherwise against Mortgagee, shall hold Mortgagee harmless for such judgments or claims, and shall assume the burden and expense of defending all suits, administrative proceedings and negotiations of any kind arising out of any of the occurrences set forth herein. This indemnification shall extend to any liability Mortgagee may suffer or incur in connection with any hazardous waste clean-up ordered by any governmental agency or court or as a result of any actions brought by third parties at law or in equity. This indemnity shall survive an event of foreclosure under this Mortgage or conveyance of the Mortgaged Property in lieu of foreclosure.

(j) Mortgagee at any time may enter the Mortgaged Property for the purpose of conducting such inspections of the Mortgaged Property as Mortgagee in its sole discretion deems appropriate to determine whether Mortgagor has complied with the environmental covenants described above. In addition thereto, Mortgagor shall, upon the request of Mortgagee, provide access to all records maintained by Mortgagor with respect to any environmental matter affecting the Mortgaged Property.

(k) Mortgagor hereby covenants that it shall not take any action which may cause Mortgagee to be considered a generator of hazardous substances or hazardous waste, or an owner, operator or person in control of any facility or part of any business of Mortgagor.

Section 3.03 Payment and Performance.

(a) Mortgagor shall pay, or cause to be paid as the case may be, to Mortgagee all principal, interest and other sums now or hereafter due and payable to Mortgagee pursuant to the Obligations and under the Loan Documents, as and when the same shall become due and payable by the terms thereof and hereof.

(b) Mortgagor shall perform and comply with all terms, conditions, provisions, covenants and agreements on the part of Mortgagor to be observed and performed under this Mortgage and the other Loan Documents to which it is a party. All the terms, conditions and provisions of the other Loan Documents are by reference incorporated herein as if fully set forth.

(c) Mortgagor shall timely perform all of its duties under any present or future Lease, easement, license, permit, approval, covenant or agreement relating to, affecting, created for the benefit of or used in connection with the operation of all or any portion of the Mortgaged Property.

(d) Upon request of Mortgagee at any time following the occurrence of an Event of Default, Mortgagor shall cause an appraisal of the Mortgaged Property to be prepared at Mortgagor's sole cost and expense, which appraisal will be in form and performed by a licensed real estate appraiser approved by Mortgagee; in the alternative, Mortgagee may order such an appraisal to be performed and Mortgagor will reimburse Mortgagee for its costs incurred upon demand.

Section 3.04 Maintenance and Repair. Mortgagor shall keep and maintain the Mortgaged Property and the sidewalks, curbs and drives abutting and adjacent thereto, if any, in good and tenantable order, condition and repair, and will make, as and when necessary, all repairs, renewals and replacements, structural and not structural, exterior and interior, ordinary and extraordinary, foreseen and unforeseen. All such repairs, renewals and replacements made by Mortgagor shall be at least equal in quality to the original portion of the Mortgaged Property being repaired, renewed or replaced. Mortgagor shall abstain from and shall not permit the commission of waste in or about the Mortgaged Property.

Section 3.05 Removal, Demolition and Alteration. Mortgagor shall not undertake or permit the removal or demolition of any building at any time erected on or forming a part of the Mortgaged Property, nor shall Mortgagor, without Mortgagee's prior written consent, undertake or permit any alteration in the design or structural character of any such building.

Section 3.06 Inspection by Mortgagee. Mortgagor will permit Mortgagee and Mortgagee's agents and representatives to enter the Mortgaged Property and all parts thereof to inspect the Mortgaged Property and to photograph the condition and state of repair of the Mortgaged Property.

Section 3.07 Insurance.

(a) Mortgagor shall keep the Mortgaged Property continuously insured, in amounts required by Mortgagor from time to time, against loss or damage by fire, with extended coverage and against other hazards as Mortgagee may from time to time require. With respect to any property under construction or reconstruction, Mortgagor shall maintain builder's risk insurance. All property and builder's risk insurance shall include protection for continuation of income for a period of twelve (12) months, in the event of any damage caused by the perils referred to above. All policies, including policies for any amounts carried in excess of the required minimum and policies not specifically required by Mortgagee, shall be with an insurance company or companies satisfactory to Mortgagee, shall be in form satisfactory to Mortgagee, shall meet all coinsurance requirements of Mortgagee, shall be maintained in full force and effect, shall be assigned to Mortgagee, with premiums prepaid, as collateral security for payment and performance of the Obligations, shall be endorsed with a standard mortgagee or loss payee clause in favor of Mortgagee, as its interests may appear, making all losses payable to Mortgagee and shall provide for at least thirty (30) days' notice of cancellation to Mortgagee. Such insurance shall also name Mortgagee as an additional insured under the comprehensive general public liability policy, and Mortgagor shall also deliver to Mortgagee a copy of the replacement cost coverage endorsement. If the Mortgaged Property is located in an area which has been identified by any governmental agency, authority or body as a flood hazard area or the like, then Mortgagor shall maintain a flood insurance policy covering the Mortgaged Property in an amount not less than the original principal amount of the Obligations or the maximum limit of coverage available under the federal program, whichever amount is less.

(b) If any of the insurance referred to herein, or any part thereof, shall expire, or be canceled, or become void or voidable by reason of the breach of any condition thereof, or if Mortgagee determines that such coverage is unsatisfactory due to the failure or impairment of the capital of any company in which the insurance may then be carried, or if for any reason whatever the insurance shall be or become unsatisfactory to Mortgagee, Mortgagor shall place new insurance on the Mortgaged Property, satisfactory to Mortgagee.

(c) If Mortgagee acquires title to the Mortgaged Property either by virtue of a judicial sale thereof pursuant to proceedings under the other Loan Documents or upon this Mortgage or by virtue of a deed in lieu of foreclosure, or otherwise, then, and in any such event, all of Mortgagor's right, title and interest in and to all insurance policies referred to herein, including unearned premiums thereon and the proceeds thereof, shall vest in Mortgagee.

Section 3.08 Taxes, Assessments and Other Charges.

(a) If requested by Mortgagee or following the occurrence of an Event of Default, in addition to all other installments of principal and interest due to Mortgagee under the Loan Documents, Mortgagor shall pay to Mortgagee, on the payment date of said installments of principal and interest, until the Obligations are fully paid, a sum (the "**Escrow Payment**") equal to one-twelfth (1/12) of the annual real estate taxes, other municipal assessments and the estimated annual premiums for all insurance required hereunder (the "**Escrow Charges**"). The Escrow Payments may be commingled with other funds of Mortgagee and no interest thereon shall be due or payable. Mortgagee shall apply the Escrow Payments to the payment of the Escrow Charges in such order or priority as Mortgagee shall determine. If, at any time, the Escrow Payments previously paid to Mortgagee shall be insufficient for the payment of the Escrow Charges, Mortgagor, within five (5) days after demand, shall pay, or cause to be paid, the amount of the deficiency to Mortgagee.

(b) Additionally, Mortgagor shall pay, prior to the date when due, without any deduction, defalcation or abatement, and shall furnish to Mortgagee proper receipts for, within five (5) days after their respective due dates, all taxes, water and sewer rents, and utilities, all ground rents, taxes, assessments, water and sewer rents, licenses or permit fees, and all other charges or claims which may be assessed, levied, charged, imposed or filed at any time against Mortgagor, the Mortgaged Property or any part thereof, or against the interest of Mortgagee therein, by any governmental instrumentality or agency or other lawful authority or by any deed restriction,

private agreement or declaration, recorded or otherwise, or which by any present or future law may have priority over the indebtedness secured hereby either in lien or in distribution out of the proceeds of any judicial sale. Mortgagor will pay, when due, all charges for utilities, whether public or private, used or consumed upon, in or in connection with the Mortgaged Property.

Section 3.09 Sale or Transfer of the Mortgaged Property; Changes to Ownership Structure of Mortgagor. Mortgagor shall not, without the prior written consent of Mortgagee or as permitted by the Loan Documents (a) sell, transfer, convey, lease or assign the Mortgaged Property, or any part thereof, or any interest therein, including but not limited to, an equitable interest in the Mortgaged Property, or any part thereof, to any party; (b) permit the sale, transfer, conveyance, lease or assignment of the Mortgaged Property or any part thereof or any interest therein, either voluntarily or by operation of law; or (c) if Mortgagor is an entity, permit any change in the ownership of Mortgagor other than changes in the composition of Mortgagor resulting from the death of a partner.

Section 3.10 Taxation of Loan Documents and Mortgage. If any law is hereafter enacted (a) deducting from the value of real estate, for the purposes of taxation, any lien or encumbrance thereon; (b) revising or changing in any way the laws and ordinances now in force for the taxation of mortgages or the debts secured thereby, or the manner of collection of such taxes; (c) imposing a tax directly or indirectly on Mortgagee with respect to the Mortgaged Property, the value of Mortgagor's equity therein, or the Obligations; or (d) requiring Mortgagee to pay, in whole or in part, any tax, assessment, charge or lien required to be paid by Mortgagor pursuant to the terms of this Mortgage; then, and in any such event, the entire unpaid balance of the Obligations shall, at the option of Mortgagee, without notice to Mortgagor, become immediately due and payable, unless, to the extent permitted by such law or ordinance, Mortgagor is authorized to, and does, pay or reimburse Mortgagee for the full amount of any such tax, assessment, charge or lien.

Section 3.11 Compliance with Laws. Mortgagor, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments or political subdivisions, courts, departments, commissions, boards, agencies, and officers, and any national or local board of fire underwriters relating in any way to the Mortgaged Property or any portion thereof, and shall promptly comply with all orders and notices of violation of any such laws, ordinances, orders, rules, regulations and requirements. Mortgagor shall promptly pay all license and permit fees and similar municipal charges relating in any way to the Mortgaged Property or any portion thereof or the construction or use of any building and improvement placed or to be placed upon and forming a part of the Mortgaged Property. Mortgagor shall immediately notify Mortgagee of Mortgagor's receipt of notice from any governmental agency or instrumentality relating to the construction, use or occupancy of the Mortgaged Property or any part thereof, or which requires any action to be taken with respect to the Mortgaged Property or any part thereof or which could have an adverse effect on the Mortgaged Property or any part thereof.

Section 3.12 Declaration of No Set-Off. Upon demand by Mortgagee, Mortgagor shall furnish to Mortgagee or to any assignee of the Loan Documents and/or this Mortgage, a written statement in form and substance satisfactory to Mortgagee stating the entire outstanding amount of the indebtedness secured by this Mortgage, and stating either that Mortgagor has no offsets, recoupments, counterclaims or defenses to or against such indebtedness, or, if such offsets, recoupments, counterclaims or defenses are alleged to exist, the nature and extent thereof.

Section 3.13 Additional Financing. Mortgagor shall not, without the prior written consent of Mortgagee, undertake any additional financing in connection with the purchase or improvement of the Mortgaged Property or any part thereof other than financing provided by Mortgagee, or create or cause or permit to exist any further lien on or security interest in the Mortgaged Property or any part thereof.

Section 3.14 Protection of Mortgage Lien. Mortgagor will promptly perform and observe, or cause to be performed and observed, all of the terms, covenants and conditions of all instruments of record affecting the Mortgaged Property, or imposing any duty or obligation upon Mortgagor or any occupant or tenant of the Mortgaged Property or any part thereof. Mortgagor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Mortgaged Property.

Section 3.15 Costs, Expenses and Counsel Fees. Mortgagor shall pay all reasonable expenses incurred by Mortgagee incident to the preparation, execution, interpretation, delivery and/or recording of this Mortgage and all other Loan Documents, including, but not limited to, attorneys' fees. Mortgagor shall, upon demand made by Mortgagee, promptly pay to Mortgagee all additional reasonable expenses and costs, including attorneys' fees, incurred by Mortgagee to collect any of the indebtedness secured hereby or to enforce the performance of the terms, conditions, provisions, agreements and covenants contained herein, in the Loan Agreement, or in any of the other Loan Documents, whether or not suit is instituted, or incurred by Mortgagee in connection with any action, proceeding, litigation or claim instituted or asserted by or against Mortgagee or in which Mortgagee becomes engaged, wherein it becomes necessary, in the opinion of Mortgagee, to enforce, defend or uphold the lien of this Mortgage or the validity or effectiveness of any assignment of any claim, award, payment, insurance recovery or any other right or property conveyed, encumbered or assigned by Mortgagor to Mortgagee hereunder, or the priority of any of the same or otherwise. All such expenses, costs and attorneys' fees, together with interest thereon at the highest rate set forth in the Loan Documents, shall be deemed to be part of the principal indebtedness evidenced by the Loan Documents and secured by this Mortgage.

Section 3.16 Rents, Profits and Leases. Mortgagor hereby warrants, certifies, covenants and represents to Mortgagee as follows:

- (a) That Mortgagor has or will have title to and full right to assign the Leases and the rents, income and profits due and to become due arising from and due pursuant to the Leases and from the Mortgaged Property;
- (b) That Mortgagor will not, without the prior written consent of Mortgagee in each instance, enter into any Lease for all or any portion of the Mortgaged Property, alter or modify any Lease, consent to any subletting of any Lease, or subordinate any Lease to any mortgage or other encumbrance other than this Mortgage;
- (c) That Mortgagor has not executed, and will not execute, any prior or other assignment of any of its rights under any of the Leases or its rights to the rent, income and profits therefrom or from the Mortgaged Property, except in favor of Mortgagee; and
- (d) That as of the date of this Mortgage, there are no Leases respecting all or any portion of the Mortgaged Property, other than as previously disclosed in any tenant list and rent roll (the "**Rent Roll**") delivered by Mortgagor to Mortgagee in connection with the Loan. Mortgagor shall, upon request by Mortgagee, provide current updates to the Rent Roll from time to time.

Section 3.17 Destruction of the Mortgaged Property. In the event of any loss, damage or destruction to or of the Mortgaged Property, or any part thereof, Mortgagor shall not adjust, collect or compromise any claims under said policies without Mortgagee's prior written consent. Provided that no Event of Default has occurred and is continuing at the time of such loss, damage or destruction, Mortgagee shall will make such insurance proceeds as are paid to Mortgagee pursuant to the standard mortgagee clause or additional insurance clause available to Mortgagor for the sole purpose of restoring the Mortgaged Property, subject to (a) Mortgagee's advance written consent to Mortgagee's plans for such restoration work ("**Restoration Work**") and (b) Mortgagee's right to release such insurance funds to Mortgagor as the Restoration Work is completed to Mortgagee's reasonable satisfaction. Each insurer is hereby authorized and directed to make payment under said policies, including return of unearned premiums, directly to Mortgagee instead of to Mortgagor, and Mortgagor hereby irrevocably constitutes and appoints Mortgagee, its designees and nominees, as Mortgagor's agents and attorneys-in-fact to adjust and compromise claims and to collect and receive proceeds and to endorse drafts therefor. In the event that an Event of Default has occurred and is continuing at the time of any loss, damage or destruction to or of the Mortgaged Property, or if Mortgagor does not cause the Restoration Work to be completed within a reasonable time or to Mortgagee's reasonable satisfaction, all insurance proceeds may, at Mortgagee's sole option, be applied to all or any part of the Obligations and in any order (notwithstanding that such Obligations may not then otherwise be due and payable) or to the repair and restoration of any of the Mortgaged Property under such terms and conditions as Mortgagee may impose.

Section 3.18 Financial Statements. Mortgagor shall comply with the financial and other reporting requirements set forth in the Loan Documents and shall provide such financial statements and other information concerning its operations and assets as Mortgagee shall require.

Section 3.19 Eminent Domain. In the event that the Mortgaged Property, or any part thereof, shall be taken in condemnation proceedings or by the exercise of any right of eminent domain or bona fide sale in lieu thereof (hereinafter collectively referred to as “**condemnation proceedings**”), Mortgagee shall have the right to participate in any such condemnation proceedings and the award that may be made in any such condemnation proceedings or the proceeds thereof or the agreed upon compensation for damages sustained shall be applied by Mortgagee, in such order and amounts as Mortgagee, in its sole discretion, may elect, in reduction of the Obligations, whether or not then due. In the event that the amount of the awards, proceeds or compensation received by Mortgagee is insufficient to pay the Obligations, Mortgagor shall, within five (5) days after the application of the award, proceeds or compensation as aforesaid, pay, or cause to be paid, such deficiency to Mortgagee.

ARTICLE IV. EVENTS OF DEFAULT; REMEDIES

Section 4.01 Events of Default. The occurrence of any one or more of the following events shall constitute an “**Event of Default**” hereunder:

- (a) Any representation or warranty made by Mortgagor in this Mortgage, or by any Obligor in any other Loan Document, shall prove to have been incorrect in any material respect when made or deemed made;
- (b) Mortgagee’s failure to have a mortgage lien on the Mortgaged Property with the priority represented by Mortgagor in this Mortgage and required hereunder;
- (c) Foreclosure or sale proceedings are instituted against or with respect to any portion of the Mortgaged Property upon any other lien or claim, whether alleged to be superior or junior to the lien of this Mortgage;
- (d) Mortgagor, or any other Obligor, shall at any time deliver or cause to be delivered to Mortgagee a notice pursuant to 42 Pa.C.S.A. §8143 electing to limit the indebtedness secured by this Mortgage;
- (e) An uninsured material loss, theft, damage, or destruction to any of the Mortgaged Property, or the entry of any lien against or the making of any levy, seizure or attachment of or on the Mortgaged Property;
- (f) Mortgagor’s breach of or failure to observe or perform any of its duties, covenants or Obligations under this Mortgage (other than a breach or failure to perform which caused any of the events specified in subparagraphs (b), (c), (d) or (e) hereof), and such failure or breach shall continue uncured for a period of 30 days after the earlier to occur of (i) notice thereof from Mortgagee to Mortgagor or (ii) Mortgagor becomes aware of any such failure or breach; or
- (g) A default by Mortgagor or any Obligor under any of the other Loan Documents, subject to the lapse of any applicable notice or cure period provided in such Loan Documents with respect to such default.

Section 4.02 Remedies. Upon the occurrence of any Event of Default, the entire unpaid balance of the Obligations shall, at the option of Mortgagee, become immediately due and payable, without notice or demand. Mortgagee, in addition to any rights and remedies available at law or in equity or under any of the Loan Documents, may forthwith, and without delay:

- (a) Institute an action of mortgage foreclosure against the Mortgaged Property, or any portion thereof, or take such other action at law or in equity for the enforcement of this Mortgage and realization on the mortgage security or any other security herein or elsewhere provided for, and proceed therein to final judgment and execution thereon for the entire accelerated indebtedness as aforesaid, together with all costs of suit and attorneys’ fees, together with interest at the highest applicable rate set forth in the Loan Documents on any judgment obtained by Mortgagee from and after the date of any sheriff’s sale of the Mortgaged Property until actual payment is made by the sheriff of the full amount due to Mortgagee. The Mortgaged Property, or any portion thereof, may be sold pursuant to any writ of execution issued on a judgment obtained by virtue of the Loan Documents or this Mortgage or pursuant to any other judicial proceedings, whether or not under this

Mortgage, in one parcel as an entirety, or in such parcels, manner and order as Mortgagee, in its sole discretion, may elect;

(b) Enter and take possession of the Mortgaged Property and manage and operate the same, let or re-let the Mortgaged Property or any part thereof, cancel, modify and grant indulgences with respect to the Leases, evict tenants, bring or defend any suits in Mortgagee's name or in Mortgagor's name in connection with possession of the Mortgaged Property, make repairs, alterations and improvements as Mortgagee deems appropriate, and perform such other acts in connection with the management and operation of the Mortgaged Property as Mortgagee, in its sole discretion, deems appropriate, and demand, sue for, collect and receive all or any rents, income and profits accruing from the Mortgaged Property and from the Leases. Any income so derived from the Mortgaged Property and from the Leases shall be applied by Mortgagee, in such order and amounts as Mortgagee shall elect, to the costs of operation and maintenance of the Mortgaged Property, the expenses (including attorneys' fees) incident to taking and retaining possession of the Mortgaged Property and collecting the rents, issues and profits therefrom and from any Lease, any other expenses as Mortgagee shall determine and to satisfy the Obligations;

(c) THE FOLLOWING SECTION SETS FORTH WARRANTS OF ATTORNEY FOR ANY ATTORNEY TO CONFESS JUDGMENTS AGAINST MORTGAGOR. IN GRANTING THESE WARRANTS OF ATTORNEY TO CONFESS JUDGMENTS AGAINST MORTGAGOR, MORTGAGOR HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY, AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS MORTGAGOR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE COMMONWEALTH OF PENNSYLVANIA AND THE UNITED STATES OF AMERICA. WITHOUT LIMITATION OF THE FOREGOING, MORTGAGOR HEREBY SPECIFICALLY WAIVES ALL RIGHTS MORTGAGOR HAS OR MAY HAVE TO NOTICE AND AN OPPORTUNITY FOR A HEARING PRIOR TO THE ENTRY OF ANY JUDGMENT AGAINST MORTGAGOR PURSUANT TO THE TERMS HEREOF.

FOR THE PURPOSE OF OBTAINING POSSESSION OF THE MORTGAGED PROPERTY UPON THE OCCURRENCE OF AN EVENT OF DEFAULT AND AFTER THE EXPIRATION OF ANY NOTICE AND RIGHT TO CURE PROVISIONS SET FORTH IN THE LOAN DOCUMENTS APPLICABLE TO SUCH EVENT OF DEFAULT, MORTGAGOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD OF THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR MORTGAGOR AND ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, BY COMPLAINT OR OTHERWISE, TO APPEAR FOR AND ENTER AND CONFESS JUDGMENT IN FAVOR OF MORTGAGEE AND AGAINST MORTGAGOR, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, FOR RECOVERY BY MORTGAGEE OF POSSESSION OF THE MORTGAGED PROPERTY, FOR WHICH THIS MORTGAGE, OR A COPY HEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; WHEREUPON, IF MORTGAGEE SO DESIRES, A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE MORTGAGED PROPERTY, WITHOUT ANY WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED IT SHALL BE DISCONTINUED, OR POSSESSION OF THE MORTGAGED PROPERTY SHALL REMAIN IN OR BE RESTORED TO MORTGAGOR, MORTGAGEE SHALL HAVE THE RIGHT IN CONNECTION WITH THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER ACTIONS OR ENTER AND CONFESS JUDGMENT ONE OR MORE TIMES AS HEREIN PROVIDED TO RECOVER POSSESSION OF THE MORTGAGED PROPERTY. MORTGAGEE MAY BRING AN ACTION FOR POSSESSION AND CONFESS JUDGMENT THEREIN BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO FORECLOSE THIS MORTGAGE OR TO ENFORCE ANY OTHER LOAN DOCUMENT, OR AFTER ENTRY OF JUDGMENT IN ANY PROCEEDINGS TO FORECLOSE THIS MORTGAGE OR ON ANY OTHER LOAN DOCUMENT, OR AFTER A SHERIFF'S SALE OF THE MORTGAGED PROPERTY IN WHICH MORTGAGEE IS THE SUCCESSFUL BIDDER.

MORTGAGOR ACKNOWLEDGES THAT IT HAS HAD THE ASSISTANCE OF LEGAL COUNSEL IN THE REVIEW AND EXECUTION OF THIS MORTGAGE AND FURTHER ACKNOWLEDGES THAT THE MEANING AND EFFECT OF THE FOREGOING PROVISIONS

CONCERNING CONFESSION OF JUDGMENT HAVE BEEN FULLY EXPLAINED TO MORTGAGOR BY SUCH COUNSEL;

(d) Have a receiver appointed to enter into possession of the Mortgaged Property and to collect the rents, issues, profits and income therefrom and to apply such rents, issues, profits and income as set forth in subparagraph (b) hereof or as a court may otherwise direct. Mortgagee shall be entitled to the appointment of a receiver without the necessity of proving either the inadequacy of the security for the Obligations, the occurrence of waste with respect to the Mortgaged Property, or the insolvency of Mortgagor or any other Obligor and Mortgagor shall be deemed to have waived such proof and to have consented to the appointment of such receiver. Should Mortgagee or any receiver collect rents, issues, profits or income from the Mortgaged Property, monies so collected shall not be substituted for the payment of the Obligations, nor can they be used to cure the Event of Default, without the prior written consent of Mortgagee. Any receiver shall be liable to account only for the rents, issues, profits and income actually received by such receiver;

(e) Exercise all the rights and remedies available to a secured party under the UCC in effect at the time, and such other rights and remedies as may be provided by law and as set forth below, including without limitation to take over and collect all of the personal property collateral in which Mortgagor has granted Mortgagee a security interest ("**Personal Property**"), and to this end Mortgagor hereby appoints Mortgagee, its officers, employees and agents, as its irrevocable, true and lawful attorneys-in-fact with all necessary power and authority to (i) take possession immediately, with or without notice, demand, or legal process, of any of or all of the Personal Property wherever found, and for such purposes, enter upon any premises upon which the Personal Property may be found and remove the Personal Property therefrom, (ii) require Mortgagor to assemble the Personal Property and deliver it to Mortgagee or to any place designated by Mortgagee at Mortgagor's expense, (iii) receive, open and dispose of all mail addressed to Mortgagor and notify postal authorities to change the address for delivery thereof to such address as Mortgagee may designate, and (iv) exercise all of Mortgagor's rights and remedies, by legal proceedings or otherwise, with respect thereto. Mortgagor acknowledges and agrees that all powers of attorney granted in this Mortgage shall in no way be construed as to benefit Mortgagor; Mortgagee shall have no duty to exercise any powers granted hereunder for the benefit of Mortgagor; and Mortgagee shall, to the extent exercisable, exercise any and all powers granted hereunder for the benefit of Mortgagee. Mortgagee hereby accepts these powers of attorney and all powers granted hereunder for the benefit of Mortgagee. Mortgagor and Mortgagee acknowledge, agree and consent that, in accordance with the legislative intent and as allowed by 20 Pa.C.S. §5601(a), the provisions of 20 Pa.C.S. §5601 shall not apply to these powers of attorney or any of the powers granted herein;

(f) Lease, sell or otherwise dispose of all or any of the Mortgaged Property at public or private sale or sales for cash, credit or any combination thereof, with such notice as may be required by law (it being agreed by Mortgagor that, in the absence of any contrary requirement of law, ten (10) days' prior notice of a public or private sale of any Mortgaged Property shall be deemed reasonable notice), in lots or in bulk, for cash or on credit, all as Mortgagee, in its sole discretion, may deem advisable. Such sales may be adjourned from time to time with or without notice. Mortgagee shall have the right to conduct such sales on the Land or elsewhere and shall have the right to use the Land without charge for such sales for such time or times as Mortgagee may see fit. Mortgagee may purchase all or any part of the Mortgaged Property at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Obligations secured by this Mortgage; and

(g) Exercise any other right or remedy otherwise available to Mortgagee and resort to any other security held by Mortgagee for the payment of the Obligations in such order and manner as Mortgagee, in its sole discretion, may elect.

Section 4.03 Right of Setoff. If an Event of Default shall have occurred and be continuing, Mortgagee is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by Mortgagee to or for the credit or the account of Mortgagor against any of and all the Obligations of Mortgagor now or hereafter existing under this Mortgage, irrespective of whether or not Mortgagee shall have made any demand under this Mortgage and although such Obligations may be unmatured.

The rights of Mortgagee under this Section are in addition to other rights and remedies (including other rights of setoff) which Mortgagee may have.

Section 4.04 Remedies Cumulative. The rights and remedies of Mortgagee provided for in this Mortgage or in any of the Loan Documents shall be cumulative and concurrent and shall not be exclusive of any right or remedy provided by law, in equity or otherwise. Said rights and remedies may, at the sole and exclusive discretion of Mortgagee, be pursued singly, successively or together, and may be exercised as often as occasion therefor shall arise.

ARTICLE V. MISCELLANEOUS

Section 5.01 Mortgagor's Waivers. Mortgagor hereby waives and releases (a) all errors, defects and imperfections in any proceeding instituted by Mortgagee under this Mortgage or any of the other Loan Documents; (b) all notices of default or of Mortgagee's exercise, or election to exercise, any right or remedy referred to in this Mortgage; and (c) the benefit of any laws now or hereafter enacted extending the time for payment of any sum due under or secured hereby or affording any right to a stay of any execution to be issued on any judgment obtained under this Mortgage or in any other Loan Document, or exempting any property from levy and sale upon any such execution.

Section 5.02 No Waiver. No failure or delay by Mortgagee in insisting upon the strict performance by Mortgagor of any of the terms, covenants, conditions, agreements and provisions contained herein, or in any other of the Loan Documents shall constitute or operate as an estoppel or a waiver of any such terms, covenants, conditions, agreements and provisions, nor shall any such failure or delay preclude Mortgagee from thereafter insisting upon such strict performance by Mortgagor. Neither Mortgagor nor any Obligor shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor, any Obligor or any other Person to take action to foreclose this Mortgage or to otherwise enforce any of the provisions of this Mortgage or any of the Obligations, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the Obligations, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Obligations or this Mortgage without first having obtained the consent of Mortgagor, each such Obligor or other Person, and Mortgagor shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee. Mortgagee may release, regardless of consideration, the obligation of any party at any time liable for any of the Obligations or any part of the security held for the Obligations without, as to any other person so obligated or the remainder of such security, in any way affecting such other person's obligation or impairing or affecting the lien of this Mortgage or the priority of the lien of this Mortgage.

Section 5.03 Mortgagee's Right to Remedy Defaults. If Mortgagor fails to pay, or cause to be paid, when due any sum required to be paid to Mortgagee or Mortgagor fails to perform any duty of Mortgagor hereunder, Mortgagee, at its option, shall have the right, but not the obligation, to pay any such sum and to perform any such duty, and Mortgagee shall have the right, but not the obligation, to take any action which Mortgagee deems necessary or advisable to protect the security of this Mortgage or the Mortgaged Property, all without prejudice to any of Mortgagee's rights or remedies available hereunder or under any of the Loan Documents, at law, or in equity. The amount of all payments so made by Mortgagee, together with all costs so incurred by Mortgagee, shall immediately be due and payable from Mortgagor to Mortgagee, together with interest at the highest applicable rate set forth in the Loan Documents, from the date such payment was made or cost incurred by Mortgagee until the date of repayment. All such amounts, together with interest as aforesaid, shall be added to the Obligations.

Section 5.04 Further Assurances. Mortgagor will execute and deliver such further instruments and documents, and perform such further acts as may be requested by Mortgagee from time to time to confirm the provisions of, or to carry out more effectively the purposes of this Mortgage and the Loan Documents to which Mortgagor is a party. Mortgagor hereby authorizes Mortgagee to execute and deliver such further instruments and documents and to perform such further acts at any time and from time to time, on behalf of Mortgagor. Mortgagor hereby irrevocably appoints Mortgagee, its designees and nominees, as Mortgagor's agents and

attorneys-in-fact, to execute, from time to time, on behalf of Mortgagor, one or more such instruments and documents.

Section 5.05 Notices and Other Communications. All notices and other communications required or given under or with respect to this Mortgage shall be in writing, and shall be sent by registered or certified mail, postage prepaid, addressed to the parties at their respective addresses set forth on the first page of this Mortgage, or at such other address as the addressee may designate in writing, from time to time. All notices given to Mortgagee by any Person, other than Mortgagor, pursuant to 42 Pa. C.S.A. §8143(c) or (d) shall be in writing and shall be sent exclusively by registered or certified mail, return receipt requested, to Mortgagee at the address set forth on the first page of this Mortgage, or at such other location as noticed to Mortgagor in writing.

Section 5.06 Status of Parties. It is understood and agreed that the relationship of Mortgagor with Mortgagee is that of mortgagor and mortgagee, and that nothing set forth herein or in any other document shall be construed to create a joint venture, partnership, or co-tenancy between Mortgagor and Mortgagee.

Section 5.07 Captions. The heading and captions herein are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions of this Mortgage.

Section 5.08 Binding Effect. This Mortgage shall bind Mortgagor, and its heirs, successors and assigns, and shall inure to the benefit of Mortgagee and its successors and assigns.

Section 5.09 No Amendment. No modification or waiver of any provision of this Mortgage and no consent to any departure by Mortgagor therefrom, shall be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

Section 5.10 Severability. If any term, covenant or condition of this Mortgage or the application thereof to any party or circumstance shall, to any extent, be invalid, or unenforceable, the remainder of this Mortgage, or the application of such term, covenant or condition to parties or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant or condition of this Mortgage shall be valid and be enforced to the fullest extent permitted by law.

Section 5.11 Governing Law. This Mortgage, and all of the rights and remedies of the parties in relation to this Mortgage, shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. Mortgagor irrevocably agrees to service of process by personal service upon Mortgagor wherever Mortgagor may be then located, or by certified or registered mail, return receipt requested, directed to Mortgagor at its last known address.

Section 5.12 Waiver of Right to Jury Trial. MORTGAGOR HEREBY INTENTIONALLY, KNOWINGLY, VOLUNTARILY AND EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS MORTGAGE OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF MORTGAGOR AND MORTGAGEE OR ANY OF THEM WITH RESPECT TO THE OBLIGATIONS, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT OR TORT OR OTHERWISE, AND MORTGAGOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT MORTGAGEE MAY FILE THIS MORTGAGE OR A COPY THEREOF WITH ANY COURT AS WRITTEN EVIDENCE TO THE CONSENT OF MORTGAGOR TO THE WAIVER OF RIGHT TO A TRIAL BY JURY.

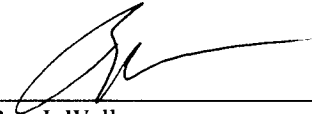
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK - SIGNATURE PAGE FOLLOWS IMMEDIATELY]

[SIGNATURE PAGE FOR OPEN-END MORTGAGE AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, Mortgagor, intending to be legally bound hereby, has caused this Mortgage to be executed and delivered by its duly authorized representative, under seal, on the date set forth on the first page of this Mortgage.

MORTGAGOR:

PINE STREET, LLC

By:  (SEAL)
 Name: Roy J. Wells
 Title: Manager

MORTGAGOR ACKNOWLEDGMENT

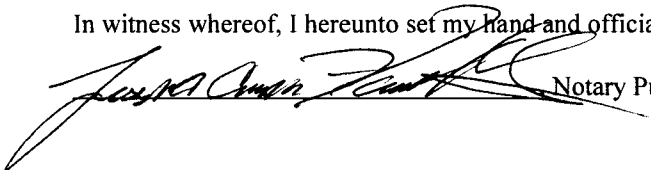
State of Pennsylvania
 County of Dauphin

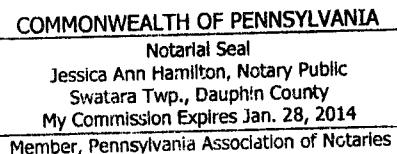
Commonwealth of Pennsylvania

County of Dauphin


On this, the 28 day of February, 2013, before me, a Notary Public, the undersigned officer, personally appeared **Roy J. Wells**, who acknowledged himself to be the **Manager of Pine Street, LLC**, a limited liability company, and that he, as such Manager, being authorized to do so, executed the foregoing First Note Modification for the purposes therein contained by signing the name of the company by himself as such Manager.

In witness whereof, I hereunto set my hand and official seal.

 Notary Public

**CERTIFICATE OF MORTGAGEE'S ADDRESS**

I hereby certify that the precise address of Mortgagee is 3801 Paxton Street, Harrisburg, Pennsylvania 17111.

By: 
 Name: David M. Chykowski
 Title: VP

8/28/13
 Date

After recording, please return to:

Mette, Evans & Woodside
 3401 North Front Street
 Harrisburg, PA 17110
 Attn.: Heather Z. Kelly, Esquire

ALL THAT CERTAIN piece or parcel of land together with the improvements erected thereon situate in the Fourth Ward of the City of Harrisburg, Dauphin County, Pennsylvania, bounded and described as follows, to wit:

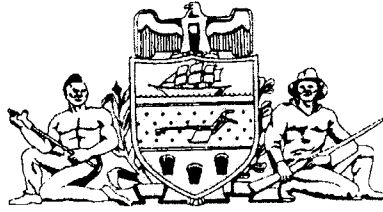
BEGINNING at a point at the northern corner of Pine Street and River Alley; thence eastwardly along the northern line of Pine Street, 52 feet 6 inches to the line of land now or late of John Y. Boyd; thence northwardly along the line of said lot now or late of John Y. Boyd, 210 feet to the southern line of Barbara Alley; thence westwardly along the southern line of Barbara Alley, 52 feet 6 inches, to the eastern line of River Alley; thence southwardly along the eastern line of River Alley, 210 feet to Pine Street, the place of BEGINNING.

HAVING ERECTED THEREON an office building known and numbered as 116 Pine Street, Tax Parcel No. 04-029-013.

BEING THE SAME PREMISES which The Musalair Trust, a Trust duly organized in accordance with the laws of Pennsylvania, by Deed dated June 16, 2008, and recorded June 20, 2008, in the Recorder of Deeds Office in and for Dauphin County, Pennsylvania to Instrument No. 20080023392, granted and conveyed unto Pine Street, LLC.

James M. Zugay, Esq.
Recorder of Deeds
(717) 780-6560

Candace E. Meck
First Deputy



Location:
Dauphin County Courthouse
Room 102
Front & Market Streets
Harrisburg, PA 17101

Recorder of Deeds

Harrisburg, Pennsylvania

CERTIFIED END PAGE

INSTRUMENT #: 20130027251
RECORD DATE: 8/29/2013 12:21:49 PM
RECORDED BY: DJENKYN
DOC TYPE: MTG
AGENT: METTE, EVANS & WOODSIDE
DIRECT NAME: PINE STREET, LLC
INDIRECT NAME:

RECORDING FEES - State: \$0.50
RECORDING FEES - County: \$13.00
ACT 8 OF 1998: \$5.00
ADDITIONAL NAME FEE: \$28.00

AOPC: \$23.50
AFFORDABLE HOUSING: \$13.00

UPICount: 1
UPIFee: 10
UPIList: 04-029-013-000-0000

I Certify This Document To Be Recorded
In Dauphin County, Pennsylvania.



James M. Zugay, Recorder of Deeds

THIS IS A CERTIFICATION PAGE

PLEASE DO NOT DETACH

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT