



Passaic County Document Summary Sheet

PASSAIC COUNTY CLERK 401 GRAND STREET ROOM 113 PATERSON NJ 07505	Transaction Identification Number 8025553 9882467	Return Address <i>(for recorded documents)</i> MAIN STREET TITLE 190 MAIN ST STE 305 HACKENSACK NJ 07601
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DANIELLE IRELAND-IMHOF
 CLERK
 PASSAIC COUNTY
 New Jersey

 INSTRUMENT NUMBER
 2026000526
 RECORDED ON
 Jan 06, 2026
 11:25:35 AM
 BOOK:M19737 PAGE:31
 Total Pages: 54

 NJ PRESERVATION \$260.00
 ACCOUNT
 RECORDING FEES - \$280.00
 RECORDER OF DEEDS
 HOMELESSNESS TRUST FUND \$2.00
 - CODE BLUE INITIATIVE
 HOMELESSNESS TRUST FUND \$3.00
 TOTAL PAID \$545.00
 INV: 1655083 USER: MD

Submission Date <i>(mm/dd/yyyy)</i>		01/06/2026
No. of Pages <i>(excluding Summary Sheet)</i>		52
Recording Fee <i>(excluding transfer tax)</i>		\$545.00
Realty Transfer Tax		\$0.00
Total Amount		\$545.00
Document Type	MORTGAGE	
Electronic Recordation Level	L2 - Level 2 (With Images)	
Municipal Codes	PATERSON CITY 08	
A82847		

Additional Information (Official Use Only)

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Passaic County Document Summary Sheet

MORTGAGE	Type		MORTGAGE		
	Consideration		\$6,300,000.00		
	Submitted By		SIMPLIFILE, LLC. (SIMPLIFILE)		
	Document Date		12/10/2025		
	Reference Info				
	Book ID	Book	Beginning Page	Instrument No.	Recorded/File Date
	Name			Address	
	17 ACADEMY NEWARK URBAN RENEWAL LLC				
	355 MARKET LLC				
	PARAMOUNT PROPERTIES 102 STATE LLC				
	Name			Address	
	CUSTOMERS BANK				
	Parcel Info				
	Property Type	Tax Dist.	Block	Lot	Qualifier
	08	53	4		08
	08	4320	16, 18, 26, 27, 28		08
	08	22	50, 49		08

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**FIRST MORTGAGE
AND SECURITY AGREEMENT**

Date: As of December 10, 2025

-by -

**17 ACADEMY NEWARK URBAN RENEWAL LLC, 355 MARKET, LLC
AND PARAMOUNT PROPERTIES 102 STATE, LLC**

- to -

CUSTOMERS BANK

TAX MAP DESIGNATION OF THE PREMISES ENCUMBERED HEREBY:

Parcel 1

Block: 53
Lot: 4
City: Newark
County: Essex
Address: 17-25 Academy Street
Newark, New Jersey

Parcel 2

Block: 4320
Lots: 16, 18, 26, 27 and 28
City: Paterson
County: Passaic
Address: 268 and 272 Carroll Street,
365-367 Market Street, 357-
363 Market Street and 355
Market Street, Paterson, New
Jersey

Parcel 3

Block: 22
Lots: 50 and 49
City: Perth Amboy
County: Middlesex
Address: 102 and 104 State Street, Perth Amboy, New Jersey

Record and Return to:

Cullen and Dykman LLP
333 Earle Ovington Boulevard, 2nd Floor
Uniondale, New York 11553
Attention: Amy F. Hecht, Esq.

DANIELLE IRELAND-IMHOF
CLERK
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This FIRST MORTGAGE AND SECURITY AGREEMENT (this “Mortgage”) is made as of the 10th day of December, 2025, by 17 ACADEMY NEWARK URBAN RENEWAL LLC, a New Jersey limited liability company, having an office at 45 Academy Street, 5th Floor, Newark, New Jersey 07102 (“Borrower”) and 355 MARKET, LLC and PARAMOUNT PROPERTIES 102 STATE, LLC, each a New Jersey limited liability company, having an office at 45 Academy Street, 5th Floor, Newark, New Jersey 07102 (collectively with the Borrower, the “Mortgagor”) to CUSTOMERS BANK, a State chartered bank, with a place of business at 40 General Warren Boulevard, Suite 200, Malvern, Pennsylvania 19355 (“Mortgagee”).

WITNESSETH:

WHEREAS, Borrower is the fee simple owner of the parcel of real property located at and known as 17-25 Academy Street, Newark, New Jersey (the “Borrower Land”) and more particularly described by metes and bounds as Parcel 1 in Schedule A attached hereto; and

WHEREAS, 355 Market, LLC is the fee simple owner of the parcel of real property located at and known as 268 and 272 Carroll Street, 365-367 Market Street, 357-363 Market Street and 355 Market Street, Paterson, New Jersey (the “355 Market Land”) and more particularly described by metes and bounds as Parcel 2 in Schedule A attached hereto; and

WHEREAS, Paramount Properties 102 State, LLC is the fee simple owner of the parcel of real property located at and known as 102 and 104 State Street, Perth Amboy, New Jersey (the “State Land”, and collectively with the Borrower Land and 355 Market Land, the “Land”) and more particularly described by metes and bounds in Schedule A attached hereto; and

WHEREAS, Borrower has this date borrowed the sum of up to SIX MILLION THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$6,300,000.00) (the “Principal Amount”) from Mortgagee, which sum is evidenced by a promissory note to Mortgagee in the amount thereof (the “Note”) (which is to be advanced in accordance with the terms and conditions of the Note); and

WHEREAS, to further secure repayment of the Note, Mortgagee requires that it receive from Mortgagor, *inter alia*, certain collateral, including but not limited to, a mortgage encumbering the Mortgaged Property (as hereinafter defined);

NOW THEREFORE, (a) the ‘WHEREAS’ clauses of this Mortgage are hereby incorporated by reference herein, and the accuracy of the matters therein contained acknowledged by Mortgagor and Mortgagee and (b) in consideration of the premises and other covenants herein contained, Mortgagor hereby gives, grants, bargains, sells, warrants, alienates, demises, releases, conveys, assigns, transfers, mortgages, hypothecates, deposits, pledges, sets over and confers unto Mortgagee, and grants Mortgagee a security interest in all of its estate, right, title and interest in, to and under any and all of the following property described in

paragraphs (i) through (xi) below (collectively, the "**Mortgaged Property**") whether now owned or held or hereafter acquired:

(i) the Land plus any air rights, easements, privileges, royalties, rights and appurtenances hereunto belonging or in any way appertaining, and all of the estate, right, title, interest, claim or demand whatsoever of Mortgagor therein and in the streets and ways adjacent thereto, either at law or in equity, in possession or expectancy, now or hereafter acquired and including the land surface and the entire subsurface of soil, sand, gravel, stone and rock, all surface water and subsurface water, whether flowing or stagnant, and the ambient air (collectively, the "**Premises**"); and

(ii) all improvements, structures or buildings and replacements thereof now or hereafter erected on the Premises including equipment and fixtures attached thereto and owned by Mortgagor (collectively, the "**Improvements**"); and

(iii) all chattels at the Premises owned by Mortgagor including all fixtures, fittings, appliances, apparatus, equipment, computers, machinery and articles of personal property and replacements thereof, other than those owned or leased by Lessees (as hereinafter defined), now or at any time hereafter affixed to, attached to, placed upon, or used in any way in connection with the complete and use, enjoyment, occupancy or operation of the Improvements (collectively, the "**Chattels**"); and

(iv) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards and any unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagor, and all rights of Mortgagor to refunds of real estate taxes and assessments; and

(v) all leases, subleases, lettings, licenses, occupancy agreements, contracts or agreements of any kind pertaining to the Premises and the Improvements or any part thereof now or hereafter entered into (each a "**Lease**" and collectively, the "**Leases**") and all right, title and interest of Mortgagor thereunder, including, without limitation: (a) cash, letters of credit or other securities deposited thereunder to secure performance by the lessees, sub-lessees, licensees, occupants, users or contractors (each a "**Lessee**" and collectively, the "**Lessees**") thereof of their obligations thereunder, whether such cash, letters of credit or securities are to be held until the expiration of the terms of such Leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms; (b) all guarantees of obligations of any Lessee; (c) the right to receive and collect all income from any portion of the Mortgaged Property, including, but not limited to, the rents, issues letters of credit and profits from the Leases (collectively, the "**Rents**"); and (d) all termination fees, modification fees, lease contraction fees, or any other amounts which are not regularly scheduled rent and operating expense reimbursements, paid by Lessee (the "**Prepaid Lease Amounts**"), all in accordance with the terms hereof and the terms of that certain Assignment of Leases and Rents (the "**Assignment of Rents**") of even date herewith from Mortgagor to Mortgagee; and

(vi) all awards heretofore made and hereafter to be made by any municipal, state or federal authorities to Mortgagor, including any awards for any changes of grade of streets affecting the Premises as the result of the exercise of the power of eminent domain (the "Awards"); and

(vii) all the other estate, right, title, interest, use, possession, property, claim and demand whatsoever, accounts receivable, contract rights, general intangibles, trade names, books, records and computer software related to operation of the Premises and the Improvements, actions and rights in action, relating thereto and proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing; and

(viii) all plans, drawings, specifications, site plans, subdivision maps, sketches, contracts and agreements, however characterized from time to time prepared for use in connection with the development, redevelopment or renovation of the Premises and Improvements; and

(ix) all contracts, agreements and understandings now or hereafter entered into, relating to or involving the performance of any work, rendering of any services, and supply of any materials or the conduct of operations in and the management of the Mortgaged Property including, without limitation, construction contracts, brokerage agreements, architect agreements, management agreements, options and other agreements, however characterized, affecting the Premises and/or the Improvements or the public improvements required to be installed under the terms of governmental approvals relating to the Premises (collectively, the "Contracts"); and

(x) any and all permits, certificates, approvals and authorizations, however characterized, issued or in any way furnished whether necessary or not, for the operation and use of the Premises and/or the Improvements and/or any other portion thereof including, without limitation, certificates of occupancy, building permits, environmental certificates, certificates of operation, warranties and guarantees; and

(xi) all bank accounts maintained by Mortgagor in connection with the Mortgaged Property (whether maintained with Mortgagee or any other financial or depository institution) and all the monies contained therein, including but not limited to the Auto-debit Account (as defined in the Note), Mortgagor's operating account (the "Operating Account"), all tenant security account(s) for the Mortgaged Property, subject to the rights of tenants therein (the "Tenant Security Account"), any interest or debt service reserve accounts and the Tax and Insurance Reserves (as hereinafter defined); and

(xii) all so-called "air rights" (inclusionary and otherwise), bulk development rights, floor area, floor area ratio, zoning rooms, and other rights and privileges now or hereafter appurtenant to the Premises and Improvements or any part thereof, as defined in, under or with respect to the zoning and building codes or ordinances of all applicable jurisdictions and the regulations and interpretations thereunder or thereof, whether or not transferable, and any or all of the same that may now or hereafter be acquired for use with the Premises or Improvements.

TO HAVE AND TO HOLD unto Mortgagee, its successors and assigns forever.

ARTICLE I

COVENANTS, WARRANTIES AND REPRESENTATIONS OF MORTGAGOR

SECTION 1.01. Representations and Warranties of Mortgagor. Mortgagor represents and warrants that:

(A) the information provided in the application for the Loan (as defined in the Note), including but not limited to contracts of sale, Contracts, Leases, schedule of Rents, credit statements, financial statements and in any other document presented to Mortgagee was true, accurate and complete in all material respects when made and remains true, accurate and complete on the date hereof in all material respects and to the best of Mortgagor's knowledge does not omit any material facts;

(B) since the date of Borrower's application for the Loan, there has been no Material Adverse Change (as hereinafter defined) in the financial condition of Borrower or Guarantor (as defined in the Note) or in any other item therein considered by Mortgagee for the purposes of making the Loan. As used herein, "Material Adverse Change" means (1) any event or condition that has a material adverse effect on the financial position of Borrower, that result in the inability of Borrower to repay the principal and interest of the Note as it becomes due, or (2) any event or condition that has a material adverse effect upon the financial position of Guarantor that results in the inability of Guarantor to perform its obligations under the Guaranty (as defined in the Note);

(C) no insolvency or bankruptcy proceedings are pending against (1) Mortgagor, (2) any Guarantor, or (3) any members of Mortgagor;

(D) Mortgagor is the record and beneficial owner and holder of marketable title to an indefeasible fee simple estate in the Premises and Improvements, subject to no lien, charge or encumbrance other than any permitted exceptions appearing in the policy of title insurance insuring the lien of this Mortgage on the date hereof;

(E) Mortgagor is the owner of the Chattels free and clear of all liens other than liens in favor of the Mortgagee;

(F) there has been no Material Adverse Change in the condition of the Mortgaged Property since the date of application for the Loan;

(G) Mortgagor is duly organized and validly existing under the laws of the State of its formation and is in good standing under the laws of such State of its formation and, if different, under the laws of the State of New Jersey, and has full power and lawful authority to carry on its business as currently conducted, and to encumber the Mortgaged Property to the full extent

contemplated under this Mortgage and Borrower has full power and authority to incur the Debt and to execute and deliver the Note;

(H) the execution and delivery of this Mortgage has been duly authorized by all necessary action on the part of Mortgagor and does not require the consent of any other party;

(I) to Mortgagor's actual knowledge, the provisions of this Mortgage will not result in the default by Mortgagor of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction or decree of any court or governmental authority having jurisdiction over the Mortgaged Property or any material provision of any agreement or instrument to which Mortgagor is a party;

(J) Mortgagor and the Mortgaged Property are in compliance, in each case, in all material respects, with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorization, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers which, as of the date of this Mortgage, affect the Mortgaged Property or any part thereof or its use or condition, or which affect any adjoining sidewalks, curbs, vaults and vault space if any, or streets or ways in so far as Mortgagor is required to comply therewith;

(K) to the best of Mortgagor's actual knowledge, the Mortgaged Property has all necessary licenses, authorities, permits and approvals, including certificates of occupancy, certificates of compliance or certificates of use to operate the Improvements, including but not limited to electricity, water drainage, and sewer in compliance with all applicable laws and regulations;

(L) there are no actions, suits or proceedings (including, but not limited to, government or regulatory investigations or proceedings) pending or threatened (in writing) against Mortgagor or the Mortgaged Property;

(M) there are no actions, suits or proceedings (including, but not limited to, government or regulatory investigations or proceedings) pending or threatened (in writing) against any members of Mortgagor which would result in a Material Adverse Change;

(N) there are no actions, suits or proceedings (including, but not limited to, government or regulatory investigations or proceedings) pending or threatened (in writing) against Guarantor which would result in a Material Adverse Change;

(O) Mortgagor is the holder of the lessor's interest in the Leases and Rents, which Leases and Rents have not been transferred, pledged or encumbered in any manner (other than in connection with one or more loans that have been paid in full as of the date hereof and other than in connection with prior loans made to 355 Market, LLC and Paramount Properties 102 Orange, LLC, and other than in connection with this Mortgage and any other Loan Documents);

(P) the Leases are subordinate to the lien of this Mortgage;

(Q) Mortgagor is not in default of any of its material obligations under the Leases;

(R) Borrower has not engaged any broker(s) in connection with the Loan unless such broker(s) has (have) been paid in full pursuant to the terms of Mortgagor's contract or brokerage agreement with such broker(s); and

(S) Mortgagor is not currently indebted to any of its members and any future loans made by its members to Mortgagor shall be subordinate to Mortgagor's obligations to Mortgagee; and

(T) None of the membership interests in Mortgagor are currently pledged or encumbered in any way.

Mortgagor agrees that all of the representations and warranties of Mortgagor set forth above and elsewhere in this Mortgage and in the other Loan Documents made as of the date hereof shall survive for so long as any amount remains owing to Mortgagee under this Mortgage or any of the other Loan Documents by Mortgagor. All representations, warranties, covenants and agreements made in this Mortgage or in the other Loan Documents by Mortgagor shall be deemed to have been relied upon by Mortgagee notwithstanding any investigation heretofore or hereafter made by Mortgagee or on its behalf.

SECTION 1.02. (A) **The Debt.** This Mortgage and the grants, assignments and transfers made pursuant to the terms hereof are given for the purpose of securing the payment of the following in such order of priority as Mortgagee may determine in its sole discretion (the "Debt"):

- (1) the Principal Amount evidenced by the Note in lawful money of the United States of America;
- (2) if and as applicable interest at the Interest Rate or Extended Interest Rate, interest at the Default Rate (as defined in the Note), Late Payment Charges (as defined in the Note) and other sums due by Borrower to Mortgagee, as provided in the Note, this Mortgage, or any other Loan Documents executed in connection herewith;
- (3) any prepayment charges due under the Note;
- (4) all other monies agreed to be paid by Borrower pursuant to the Note, this Mortgage, or any other Loan Document executed in connection herewith, including, but not limited to, the Tax and Insurance Reserves;
- (5) all Protective Advances (as hereinafter defined); and
- (6) all sums advanced and actual out-of-pocket costs and expenses incurred by Mortgagee in connection with the Debt or any part thereof, any renewal, extension, or change of or substitution for the Debt or any part thereof, or

the acquisition or perfection of the security therefor, whether made or incurred at the request of Mortgagor or Mortgagee.

(B) **Payment of the Debt.** Borrower will punctually pay the Debt and all other sums due in connection herewith and therewith in accordance with the terms of the Note (as same may be extended, modified and/or restated) and this Mortgage.

SECTION 1.03. Warranty of Title. Mortgagor will preserve the state and condition of the fee title to the Mortgaged Property, and will forever warrant and defend the same to Mortgagee, and Mortgagor will forever warrant and defend the validity and priority of the lien of this Mortgage against the claims of all persons and parties whomsoever.

SECTION 1.04. (A) Payment of Taxes. Mortgagor will timely pay and discharge all taxes of every kind and nature (including but not limited to real estate taxes, water and sewer taxes, Improvement District (ID) taxes, and personal property taxes and income, franchise, withholding, profits and gross receipts taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public charges whether of a like or different nature, imposed upon or assessed against it or the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof (collectively, the "Taxes"). Upon Mortgagee's written request, Mortgagor will, within thirty (30) days after the due date of any Taxes, deliver to Mortgagee, receipts evidencing the payment of all such Taxes for which Mortgagee requested such receipts.

(B) **Tax and Insurance Reserve Escrow Deposit.** Mortgagor shall deposit with Mortgagee, such amounts as Mortgagee shall determine to be necessary to establish a reserve only for payment of real estate taxes and, if applicable subject to the terms of this Section 1.04(B), the insurance premiums payable under Section 1.05(B) below. The deposits shall collectively be referred to as the "**Tax and Insurance Reserves.**" In connection therewith, Mortgagee shall require the deposit by Mortgagor, at the time of each Monthly Payment (as defined in the Note) (and/or periodically during the term of this Mortgage), of an additional amount sufficient to discharge such obligations thirty (30) days before same become due. The determination of the amounts payable and of the amount to be deposited with Mortgagee, so that the aggregate of such deposits shall be sufficient for this purpose, shall be made by Mortgagee in its sole but reasonable discretion and may include additional amounts to be held and future adjustments to be made according to projected tax rate increases issued by the applicable taxing authority. On the date hereof, Mortgagee has waived the requirement for an insurance escrow and shall permit Mortgagor to pay its own casualty and liability insurance during the term of this Mortgage. Notwithstanding Mortgagee's waiver of the insurance escrow requirement as set forth above, it hereby reserves the right to institute same at any time during the term of this Mortgage after the occurrence of any Event of Default (as hereinafter defined) and continuance thereof following any applicable notice, grace and/or cure period. Notwithstanding the foregoing, flood insurance, if required, must be escrowed with Mortgagee which deposit shall be part of the Tax and Insurance Reserves. The amount calculated by the Mortgagee for payment at the time of each Monthly Payment is equal to one-twelfth (1/12th) of the actual annual tax bills for the Mortgaged Property. Mortgagee requires to be deposited as a cushion in the Tax and Insurance

Reserves, an amount equal to two (2) months of the amount calculated by the Mortgagee for the monthly payment of real estate taxes. If at the time Mortgagee reanalyzes the amount on deposit in the Tax and Insurance Reserves a determination is made that the amount exceeds Mortgagee's requirements, Mortgagee shall adjust the monthly deposit account to take into account said excess or, at Mortgagor's written request (which shall be no more often than once per year), Mortgagee shall refund to Mortgagor the amount that exceeds the required cushion in the Tax and Insurance Reserves.

(C) **Disbursement of Tax and Insurance Reserve; Reimbursement of Deficiency.**

The Tax and Insurance Reserves shall be held by Mortgagee without interest and may be co-mingled with Mortgagee's general funds and shall be disbursed by Mortgagee for the payment of the obligations of Mortgagor in Subsection 1.04(B) above (the "Obligations") on or before their respective due dates. If thirty (30) days prior to the due date of any of the Obligations the amounts then on deposit with Mortgagee therefor shall be insufficient for the payment thereof, within ten (10) days after demand, Mortgagor shall deposit the amount of any deficiency in the Tax and Insurance Reserves with Mortgagee. Notwithstanding the provisions of this Subsection 1.04(C), after an Event of Default hereunder Mortgagee may elect to apply the Tax and Insurance Reserves to the Debt in such order and manner as determined by Mortgagee in its sole discretion.

(D) **Right to Contest Taxes.**

(1) Notwithstanding Mortgagor's obligation to pay the Taxes as set forth above, Mortgagor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes, provided that (a) no Event of Default shall have occurred and shall be continuing following the expiration of all applicable notice, grace and/or cure periods, (b) such proceeding shall suspend the collection of the contested Taxes from Mortgagor and from the Mortgaged Property by the taxing authority, (c) such proceeding shall not violate any other instrument to which Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder, (d) neither the Mortgaged Property nor any part thereof nor any interest therein will be in danger of being sold, forfeited, terminated, canceled or lost as a result of such proceeding, and (e) Mortgagor shall fund and pledge, with adequate cash reserves for the payment of the contested Taxes, together with all interest and penalties thereon, into the Tax and Insurance Reserves account or in the alternative Mortgagor shall have furnished such security as may be reasonably required in the proceeding, or as may otherwise be reasonably requested or required by Mortgagee to insure the payment of the contested Taxes, together with all interest and penalties thereon, and, provided further, that if at any time Mortgagee determines, in its sole but reasonable discretion, that payment of any tax, assessment or other charge shall become necessary to prevent the delivery of a tax deed conveying the Mortgaged Property or any portion thereof because of non-payment of any such sums, then Mortgagor shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed.

(2) If an Event of Default shall occur and be continuing following the expiration of all applicable notice, grace and/or cure periods, either prior to, or after, initiating

said proceeding, Mortgagee shall have the right to either initiate or continue said proceeding, as the case may be, either in its own name or as agent of Mortgagor. Mortgagor shall cooperate with Mortgagee and make available to Mortgagee promptly following written demand any and all information, and execute any documents or pleadings, which Mortgagee may reasonably require in connection with this Section 1.04(D)(2). Mortgagee shall then conduct said proceeding in a manner it deems appropriate, and at its own expense, subject to any right of reimbursement from Mortgagor in accordance with the provisions of this Mortgage.

SECTION 1.05. Insurance Coverage; Insurance Policies; Casualty.

(A) **Insurance Requirements.** Mortgagor, until the Debt shall be fully paid and satisfied, shall keep, as applicable, Mortgagor, the Improvements and the personal property insured, by a company or companies and in form, amounts and with coverage and deductibles satisfactory to Mortgagee against:

(1) loss or damage by perils customarily included under standard "all risk" policies, and all other contingencies as may be required by Mortgagee, which shall evidence, by endorsement, (i.e., a so-called "agreed amount" replacement cost endorsement insuring one hundred percent (100%) of the replacement cost of the Improvements) the agreement of the insurer to pay, upon the occurrence of an insured loss, a sum equal to the cost to repair or replace the lost or damaged Improvements and the Personal Property which shall be damaged or destroyed by reason of an insured loss, with property of a like kind and quality, without deduction for depreciation and normal wear and tear;

(2) the coverages provided by so called Commercial General Liability insurance, applicable to the Mortgaged Property, in such amounts as are usually carried by persons or entities owning properties similar to the Mortgaged Property wherein is being conducted the business then being conducted therein in the same general locality as that of the Mortgaged Property, but in any event for amounts not less than \$1,000,000.00 for each occurrence, for death, personal injury and property damage, and \$2,000,000.00, in the aggregate for covered occurrences, which amounts shall be increased, from time to time, to reflect what a reasonably prudent owner or lessee of buildings or improvements similar in type and locality to that of the Mortgaged Property would carry;

(3) the coverages provided by explosion insurance in respect of any steam and pressure boilers and similar apparatus, if any, in the Mortgaged Property in such amounts as are usually carried by persons or entities operating similar properties in the same general locality to that of the Mortgaged Property but in any event in an amount no less than \$1,000,000.00;

(4) the coverages provided by business interruption insurance in an amount equal to one (1) year's loss of gross earnings, rental value and the extra expense that could result from the cessation of the business conducted by Mortgagor at the Mortgaged Property or rent insurance against one (1) year's loss of gross rental income (whichever of the two types of insurance is applicable) arising out of damage or destruction by reason of the risks described above in Subsections (1) and (3). All proceeds of such insurance in the event of loss recovery thereunder shall be paid to Mortgagee and shall be held and applied by Mortgagee to the extent

of such loss recovery toward the payment of principal and/or interest due under the Note, real estate taxes and insurance premiums and any and all sums and obligations secured by this Mortgage, as they become due under the Note or this Mortgage, or for such other purposes as Mortgagee shall in its discretion determine. No amounts so held shall be deemed to be trust funds, but may, at the option of Mortgagee, be commingled with general funds of Mortgagee and no interest shall be payable thereon. If, pursuant to any provision of the Note and of this Mortgage, the entire amount of the principal amount of the Debt becomes due and payable, Mortgagee shall have the right, at its election, to apply any amounts paid to Mortgagee under this Subsection against the Debt;

(5) the coverages provided by all-risk builders' risk insurance with respect to the Mortgaged Property during any period in which there is any construction occurring with respect to the Improvements, in an amount no less than the full replacement cost of the Improvements which are the subject of the construction;

(6) If the Mortgaged Property is located in an area which has been identified by the Federal Emergency Management Agency (FEMA) as being within a flood hazard area, Mortgagor will keep the Mortgaged Property insured against loss by floods and mud slides, until all sums secured hereby have been repaid in full, by flood insurance in an amount at least equal to the Principal Amount or the maximum limit of coverage available for the Mortgaged Property under The National Flood Insurance Act of 1968, as amended and The Flood Disaster Protection Act of 1973, as amended, whichever is less.

(7) insurance against such other hazards (including war damage insurance, if and when the same is available from the United States Government or any agency or subdivision thereof) as may be reasonably required by Mortgagee from time to time and as are customarily insured against with respect to like properties;

(8) if any part of the Mortgaged Property is now or hereafter used for the sale or dispensing of beer, wine, or any other alcoholic beverages, so called "Dram Shop" or "Innkeeper's Liability" coverage provided by insurance against claims or liability arising directly or indirectly to person or property on account of such sale or dispensing of beer, wine, or other alcoholic beverages shall also be furnished, including in such coverage loss of means of support, all in amounts as may be required by Law or as Mortgagee may specify; and

(9) in addition, shall keep and maintain worker's compensation insurance to the full extent required by applicable law for all employees of Mortgagor engaged in any work on or about the Mortgaged Property.

(B) Insurance Policies.

(1) All companies which shall provide the insurance required by this Mortgage shall have an A.M. Best financial strength rating of A- or better and a size category rating of IX or better, in the edition of Bests Key Rating Guide current for the time when the insurance is given and shall be qualified to do business in the State where the Mortgaged Property is located.

(2) At the time of the execution of this Mortgage and following written request from Mortgagee, Mortgagor shall deliver to Mortgagee the policy or policies or renewal policy or policies, as the case may be, with appropriate evidence of the payment of the premium therefor.

(3) The insurance policies required to be procured pursuant to this Mortgage shall:

(a) as to the insurance coverage required under Subsections (A) (1), (3) and (4) above, contain a standard New Jersey non-contributory form of mortgagee endorsement satisfactory to Mortgagee, naming Mortgagee, its successors and assigns as their interests may appear, as "mortgagee insured", and as "lender loss payable", and providing that no act, omission or negligence of Mortgagor, or its agents, servants or employees, or of any tenant under any lease for the whole or any part of the Mortgaged Property, which might otherwise result in a forfeiture of such insurance or any part thereof, shall in any way affect the validity or enforceability of such insurance insofar as Mortgagee is concerned;

(b) as to all other coverage name Mortgagor and Mortgagee, as named insureds, as their respective interests may appear; and

(c) provide that such policies may not be canceled or amended or in any way limited in coverage or reduced in amount without at least thirty (30) days' prior written notice to Mortgagee, that no claims thereunder shall be paid without at least ten (10) days prior written notice to Mortgagee and that the insurance proceeds or awards may be adjusted only after obtaining the prior written consent of Mortgagee.

(4) Mortgagor, at its expense, will furnish to Mortgagee, within ninety (90) days after demand (but not more frequently than once in each consecutive period of sixty (60) calendar months) proof of the then full insurable value of the Improvements and the Personal Property, such proof to be by appraisals satisfactory in form and substance to Mortgagee and prepared by an appraiser designated and paid for by Mortgagor and approved by Mortgagee. No failure or omission on the part of Mortgagee to request any such appraisals or proof shall relieve Mortgagor of any of its obligations under this Section.

(5) Until the full payment of the Debt, Mortgagee shall have and hold the insurance policies described in this Section as collateral and further security for the payment of the Debt. In the event Mortgagor is in default of Mortgagor's compliance with this Section beyond the expiration of all applicable notice, grace and/or cure periods, (a) Mortgagor hereby agrees to indemnify and hold Mortgagee harmless against all damage (excluding punitive, consequential, exemplary, diminution in value, special or loss of profit damages except for any of the foregoing actually payable by Mortgagee to a third party), loss or liability actually incurred by Mortgagee resulting from all risks that would have been covered by such insurance to the extent of the benefit which would have been received by Mortgagee had the insurance coverage required to be obtained under this Subsection been obtained and maintained by Mortgagor as required hereunder and (b) Mortgagee or its successors or assigns may, but shall

have no obligation to, place such insurance as described above, from time to time, in an amount in the aggregate not exceeding the amount of insurance required to be obtained under this Section, for the purpose aforesaid, and pay the premium or premiums therefor. In the event of such payment, Mortgagor will pay to Mortgagee, its successors or assigns such premium or premiums so paid by Mortgagee, within ten (10) days from receipt of written demand, together with interest from the date that such sum is advanced, payment made, or expense incurred, to and including the date of reimbursement, computed at the Default Rate. Any such sum paid by Mortgagee and the interest thereon shall be a lien on the Mortgaged Property prior to any claim, lien, title or interest in, to or on or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage and shall be deemed to be secured by this Mortgage and evidenced by the Note.

(6) The insurance required pursuant to this Section may be affected by a policy of blanket insurance which may cover property in addition to the Mortgaged Property, provided that the coverage shall be the same as if the Mortgaged Property were the sole property insured and Mortgagor shall deliver to Mortgagee a duplicate original copy or copies thereof or original insurance certificates therefor.

(C) **Casualty.**

(1) **Notice; Restoration.** If the Mortgaged Property is damaged or destroyed, in whole or in part, by fire or other casualty (a "Casualty"), Mortgagor shall give notice thereof to Mortgagee within five (5) Business Days (as defined in the Note) of said Casualty. Following the occurrence of a Casualty that does not result in a total loss of the Improvements, Mortgagor, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the Mortgaged Property in accordance with all legal requirements to be of at least equal value and of substantially the same character and configuration as prior to such damage or destruction.

(2) **Settlement of Proceeds.** (a) Subject to the terms of Section 1.06(C)(2)(c) below, the proceeds of any insurance paid on account of any damage or destruction to the Mortgaged Property shall be paid over to Mortgagee to be applied as hereinafter provided. In the event any such insurance proceeds shall be paid to Mortgagor or by two-party check delivered to Mortgagor, Mortgagor shall forthwith deliver such insurance proceeds to Mortgagee, or endorse such two-party check and deliver it to Mortgagee (as the case may be), and Mortgagor shall be personally liable for any such insurance proceeds not delivered to Mortgagee, notwithstanding any exculpation provisions contained in this Mortgage or in any other Loan Document.

(b) Mortgagee shall have the option, in its sole but reasonable discretion, to apply any insurance proceeds it may receive by reason or damage or destruction to the Mortgaged Property toward payment of the Debt, or the same may be paid over either wholly or in part to Mortgagor or to the heirs, successors or assigns of Mortgagor for the repair of the Mortgaged Property or for the erection of new Improvements and the acquisition and installation of new personal property in their place, or for any other purpose or object satisfactory to Mortgagee, and if Mortgagee shall retain insurance money for such damage to the Mortgaged Property, the lien of this Mortgage shall be affected only by a reduction of the amount of said lien by the amount

or such insurance money received and retained by Mortgagee and applied toward payment of the obligations secured hereby.

(c) Notwithstanding the foregoing, in the event of any destruction of the Mortgaged Property:

(i) if the Casualty is such that the insurance proceeds awarded are less than five percent (5%) of the unpaid principal balance of the Loan (but not to exceed \$500,000.00), Mortgagee shall release such proceeds to Mortgagor for restoration provided that an Event of Default has not occurred and is continuing beyond the expiration of any applicable notice or cure period;

(ii) if the Casualty is such that the insurance proceeds awarded above are greater than the standard set forth in (A) above, Mortgagee will make ninety percent (90%) of the net insurance proceeds available for restoration, provided that: (1) the net insurance proceeds are sufficient, in the commercially reasonable opinion of Mortgagee, to complete the restoration (unless Mortgagor deposits with Mortgagee the amount of such deficiency); (2) an Event of Default has not occurred and is continuing beyond the expiration of any applicable grace, notice and/or cure period and (3) in Mortgagee's opinion the restoration can be completed within twelve (12) months from the occurrence of the damage but in no event less than three (3) months prior to the Maturity Date. The remaining ten percent (10%) of the net insurance proceeds shall be released to Mortgagor after completion of the restoration and, if the portion of the Mortgaged Property damaged by the Casualty was leased on the date of such Casualty, the rental of the restored portion of the Mortgaged Property in accordance with the terms of this Mortgage applicable to Leases. If the restoration is undertaken by Mortgagor, Mortgagor shall submit plans and specifications and a budget, subject to Mortgagee's commercially reasonable approval, not to be unreasonably withheld, conditioned or delayed. Disbursement of the insurance proceeds will be made periodically pursuant thereto in accordance with Mortgagee's standard building loan requirements. The expenses incurred by Mortgagor (including, without limitation, hard and soft costs) will be paid by Mortgagor to the extent that the insurance proceeds available to Mortgagee are insufficient to pay such expenses. Mortgagee shall not be required at any time to disburse any insurance proceeds if the undisbursed balance thereof is, in its sole but commercially reasonable opinion, insufficient to complete the restoration free of liens in accordance with the plans and specifications.

It is intended that no trust shall be created by the receipt by Mortgagee of any proceeds of insurance, nor shall there be any obligation on Mortgagee to pay any interest thereon.

Notwithstanding anything to the contrary contained herein or in any other Loan Documents (including, without limitation, the Note), in no event shall any prepayment charge, premium or other sum be due in connection with any full or partial prepayment of the Loan required in accordance with this Section.

SECTION 1.06. Reporting Requirements; Financial Statements.

(A) Mortgagor will keep adequate records and books of accounts in form and substance consistent with the financial documentation submitted to Mortgagee at the closing of

the Loan. Mortgagor will permit Mortgagee, by its agents, accountants and/or attorneys, to visit and inspect the Mortgaged Property and examine its records and books of account and to discuss its affairs, finances and accounts with Mortgagor, at such reasonable times and upon reasonable prior written notice (which must be at least two (2) business days) as may be requested by Mortgagee (provided, however, that unless an Event of Default has occurred and is continuing beyond any applicable notice, grace and/or cure period, Mortgagee may examine Mortgagor's books and records only once per calendar year).

(B) Mortgagor will deliver to Mortgagee within one hundred twenty (120) days after the end of each calendar year and/or within thirty (30) days of request by Mortgagee, financial statements, a current rent roll for the Mortgaged Property and statements of profit, loss and cash flow setting forth in each case, in comparative form, figures for the preceding year. The form documents delivered to Mortgagee in connection with the approval of the Loan shall be sufficient with respect to the delivery of future documents. Mortgagor and Guarantor will deliver to Mortgagee such other information with respect to Mortgagor and Guarantor as Mortgagee may reasonably request from time to time, including, with respect to Guarantor, financial statements and bank and brokerage account statements to confirm compliance with Guarantor's minimum combined net worth and liquidity requirements annually. Each such statement required above shall be in scope and detail similar to that submitted to Mortgagee at the closing of the Loan and, if required above to be certified, certified by a managing member, if a limited liability company, or by an individual with respect to Guarantor. In addition to but not in lieu of any other remedies available to Mortgagee, upon Mortgagor's failure to supply to Mortgagee the records and/or other information required by this Section 1.06(B) within thirty (30) days after Mortgagee's written request for same (hereinafter the "Reporting Cure Period"), Mortgagee shall be entitled to charge Mortgagor a fee in the amount of \$1,000.00 (the "Reporting Fee") for such failure to comply with the reporting requirements. The Reporting Fee shall be debited from the Auto-debit Account (as defined in the Note) after the expiration of the Reporting Cure Period. In the event that sufficient collected and available funds are not on deposit in the Auto-debit Account on the date the Reporting Fee is to be debited, then Mortgagor agrees to pay the Reporting Fee to Mortgagee immediately upon written demand. At any time that the Reporting Fee is due and payable, at Mortgagee's option, it may take priority in order of payment over any other payments due. Notwithstanding the foregoing, Mortgagee may, in its sole discretion, waive any Reporting Fee in the event Mortgagor provides evidence satisfactory to Mortgagee that it is diligently preparing the required information and will provide same promptly upon completion. The Reporting Fee is an additional remedy available to Mortgagee and is not in lieu of any other remedies available to Mortgagee herein for failure to comply with this Section 1.06(B).

(C) Mortgagor will do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a limited liability company under the laws of the state of its formation and will comply with all regulations, rules, statutes, orders and decrees of any governmental authority or court applicable to it or to the Mortgaged Property or any part thereof.

(D) Mortgagor will execute and deliver to Mortgagee within ten (10) Business Days upon request a written statement, duly acknowledged, of the amount then due for principal or

interest on this Mortgage and whether any offsets, counterclaims or defenses exist against the Debt. The nature of each such offset, defense or counterclaim shall be set forth in full detail.

SECTION 1.07. (A) Due on Sale; Restrictions on Further Encumbrances.

Mortgagor shall not (1) permit the Mortgaged Property or any part thereof or any interest therein to be sold, transferred, conveyed, pledged, mortgaged, assigned or hypothecated to any other person or entity, or (2) convert the property to condominium or cooperative ownership without Mortgagee's prior written consent, or (3) sell, transfer, convey, pledge, mortgage, assign or hypothecate the Mortgaged Property or any part thereof or any interest therein, which shall include but not be limited to, by a transfer, pledge or encumbrance of any of the direct or indirect membership interests in Mortgagor, except as permitted pursuant to Section 1.07(B) herein below. The acts referred to in (1), (2) and (3) above are hereinafter collectively referred to as "Transfer" when used as a verb or "a Transfer" when used as a noun (or "Transfers" , in either such case, as context may require).

(B) Restrictions on Sales and Transfers of Interests in Mortgagor.

Notwithstanding anything to the contrary contained herein:

(1) Upon written notice to Mortgagee and provided the management of and the controlling interest in both Mortgagor and the Mortgaged Property do not change (except that the foregoing limitations shall not (i) limit Mortgagor's ability to enter into a property management agreement in accordance with the terms of this Mortgage or (ii) apply to the transfer by any Guarantor of all of his beneficial membership interest to the other Guarantor). Mortgagee's consent shall not be required with respect to (a) Transfers of a direct or indirect interest in and among the existing members/partners/shareholders of Mortgagor, (b) Transfers of a direct or indirect interest in Mortgagor to its members' Immediate family members or to other entities owned solely by said immediate family members or to trusts for the benefit of same, (c) by operation of law upon the death of a member, (d) Transfers of a direct or indirect interest in Mortgagor to one or more legal entities controlled by Guarantors, and/or (e) Transfers of up to forty-nine percent (49%) ownership in the Mortgagor. Mortgagor shall promptly provide Mortgagee with all documentation evidencing such transfers promptly upon Mortgagee's written request. "Immediate family members" shall be defined as mother, father, son, daughter, brother, sister, grandchildren, son-in-law, daughter-in-law and spouse. Mortgagor agrees and acknowledges that, at Mortgagee's request, any proposed transferee hereunder shall be subject to Office of Foreign Assets Control and Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("Patriot Act") compliance review, and Mortgagor shall provide Mortgagee the necessary information to comply with such requirements at Mortgagee's request prior to any such transfer.

(2) Transfers of interest of Mortgagor made by bequest, devise or operation of law shall not be deemed an Event of Default hereunder.

(3) By its acceptance of this Mortgage, Mortgagee acknowledges that the current members of the Mortgagor will be transferring its membership interest to Levy Holdings LLC, an entity that will be owned as follows (which Transfers shall not require consent of

Mortgagee and are permitted by the terms of this Mortgage): (i) 41% by RLT Investment Holdings LLC, (ii) 41% by MLT Investment Holdings LLC, and (iii) 18% by LFT Investment Holdings LLC.

SECTION 1.08. Leases and Leasing of the Mortgaged Property.

(A) Mortgagor will not (1) execute an assignment of the Rents or the Leases or any part thereof other than in favor of Mortgagee, (2) except as provided in Subsection (B) below, terminate or consent to the cancellation or surrender of any Lease or of any part thereof, now existing or hereafter to be made provided, however, that any Lease may be cancelled if contemporaneously with the cancellation or surrender thereof, a new Lease is entered into with a new Lessee having a credit standing, in the sole but commercially reasonable judgment of Mortgagee, at least equivalent to that of the Lessee whose Lease was cancelled, on substantially the same or better terms as the terminated or cancelled Lease, (3) except as provided in Subsection (B) below, modify any Lease so as to shorten the unexpired term thereof or so as to decrease the amount of the Rents payable thereunder, (4) accept prepayments of any installments of Rents to become due under the Leases for more than one (1) month in advance, except prepayments in the nature of security for the performance of the Lessees thereunder (which security shall not exceed two months rental payments under the Lease and/or payment of first (1st) month rent upon signing of the Lease), (5) enter into any new Leases without the prior written consent and approval of Mortgagee, except as permitted under Subsection (B) below, or (6) in any other manner impair the value of the Mortgaged Property or the security of this Mortgage in any material respect.

(B) (1) Mortgagor may take the following actions without Mortgagee's prior consent with respect to any lease for residential space at the Mortgaged Property having a term of two (2) years or less: (a) terminate or consent to the cancellation or surrender of any Lease or of any part thereof, now existing or hereafter to be made, where the Lessee is in default thereunder or in connection with a tenant buyout with respect to an under-market rent, or (b) enter into a new Lease or extend, modify, or renew any Lease or of any part thereof, now existing or hereafter to be made. Notwithstanding the foregoing, to the extent each shall apply, Mortgagor shall lease any residential apartment in compliance with all applicable rent regulation laws.

(2) Mortgagor may take the following actions without Mortgagee's prior consent with respect to leases for commercial or retail space at the Mortgaged Property provided such actions are made in accordance with the conditions of Section 1.08(B)(3) below: (a) terminate or consent to the cancellation or surrender of any Lease or of any part thereof, now existing or hereafter to be made, (i) where the Lessee is in default thereunder, or (ii) where the Lessee has given a notice of termination and/or cancellation to Mortgagor or (iii) by Mortgagor in accordance with the terms of the Lease or (iv) for any reason but with respect to this subsection (iv) only if either after the termination of said Lease the Required DSCR is still being met or if after such termination Mortgagor enters into a new Lease with a new tenant which Lease provides for Rent equal to or more than the Lease being replaced, or (b) enter into a new Lease or extend, modify, or renew any Lease or of any part thereof, now existing or hereafter to be made.

(3) Any lease for commercial or retail space at the Mortgaged Property made, modified, extended or renewed without Mortgagee's prior written consent must be done such that (a) the resulting rents are (i) greater than or equal to the existing rent for the same space (or greater than or equal to the projected rent if such space is vacant on the date hereof); or (ii) or generally at market rents; or (iii) determined by Mortgagor in the ordinary course of Mortgagor's business (provided with respect to clauses (ii) and (iii), Mortgagor shall continue to be in compliance with the Required DSCR) and (b) the material lease terms are not more onerous to the landlord than the terms of the existing lease (if there is one).

(C) Mortgagor will at all times promptly and faithfully perform, or cause to be performed, all of the material covenants, conditions and agreements contained in all Leases on the part of the lessor thereunder to be kept and performed and will at all times do all things necessary subject to the prudent course of business, to compel performance by the Lessee under each Lease of all obligations, covenants and agreements by such Lessee to be performed thereunder. If any commercial or retail Lease provides for the giving by the Lessee of certificates with respect to the status of the Leases, Mortgagor shall exercise its right to request such certificates within five (5) business days after any written demand therefor by Mortgagee (provided, however, Mortgagor shall not be in default under this Mortgage or under any other Loan Document in the event any Lessee fails and/or refuses to provide such certificate following Mortgagor's request and provided further if no Event of Default shall be continuing. Mortgagee shall not make the foregoing request more than once per calendar year).

(D) From the date hereof, each Lease or Lease renewal shall provide that each Lease shall be subject and subordinate to this Mortgage.

(E) Intentionally omitted.

(F) Mortgagor shall furnish to Mortgagee, within fifteen (15) days after a request by Mortgagee, provided Mortgagee shall not make such request more than two (2) times per year an updated copy of the rent roll for the Mortgaged Property.

(G) Mortgagor shall immediately notify Mortgagee of any Prepaid Lease Amounts that have been paid or have been agreed to be paid by retail, office or commercial Lessees (each a "**Commercial Lease Prepayment**"). Mortgagor shall direct Lessee to remit the Commercial Lease Prepayment to Mortgagee. The Commercial Lease Prepayment will be held by Mortgagee as additional collateral to secure the repayment of the Debt. Any Commercial Lease Prepayment received by Mortgagor shall immediately be forwarded to Mortgagee. Mortgagee shall release Prepaid Lease Amounts, provided no Event of Default exists beyond any applicable notice and cure periods, to pay for brokerage commissions and/or work required to be completed by Mortgagor in connection with any new Lease on any portion of the Mortgaged Property.

(H) Mortgagor shall not permit any Lessee to: (1) involve the presence of any Hazardous Materials (as defined in the Environmental Indemnity Agreement) on the Mortgaged Property (other than supplies for cleaning or maintenance in commercially reasonable amounts required for use in the ordinary course of business, provided such items are incidental to the use

of the Mortgaged Property and are stored and used in compliance with all applicable laws), including, but not limited to, any businesses engaged in the processing of dry cleaning on-site; (2) permit any portion of the Mortgaged Property to be used for any illegal purpose or business, or in violation of any applicable law; or (3) permit any use of any portion of the Mortgaged Property that would materially, adversely affect the marketability or value of the Mortgaged Property, as determined by Mortgagee in its reasonable discretion, notwithstanding that such use may be otherwise permitted under applicable law.

SECTION 1.09. Intentionally omitted.

SECTION 1.10. (A) **Waste.** Mortgagor will not threaten, commit or permit any intentional physical waste (“Waste”) to the Mortgaged Property or make any change in the use of the Mortgaged Property which will in any way materially increase the risk of ordinary fire or other hazard arising out of construction or operation. Mortgagor will, at all times, maintain or cause to be maintained the Mortgaged Property in good operating order and safe condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements thereto. The Improvements shall not be demolished, substantially altered or permitted to deteriorate (excepting normal wear and tear), nor shall any Chattels be removed except where appropriate replacements are promptly made of value at least equal to the value of the removed Chattels. Any replacement Chattels shall be owned by Mortgagor free and clear of any liens. Notwithstanding the foregoing, Mortgagor shall be permitted to alter or cause alteration of the Mortgaged Property to comply with applicable law and as necessary for required and/or permitted tenant improvements, provided all work is (1) performed in a good and workmanlike manner, (2) performed in accordance applicable law, and (3) is free of any liens.

(B) **Violations.** Mortgagor shall, in its regular course of business, correct or cause to be corrected the conditions (each a “Violation Condition” and collectively, the “Violation Conditions”) that give rise to any violation imposed against the Mortgaged Property (each a “Violation” and collectively, the “Violations”) and shall promptly seek to have any such Violation removed and discharged of record. For any Violation Condition that is unable to be corrected due to the tenant’s failure to provide access, Mortgagor shall use commercially reasonable efforts to obtain access and correct the Violation Condition. Provided that (1) Mortgagor is diligently pursuing the correction of Violation Conditions and the removal of Violations in its regular course of business and as provided above, and (2) no action has been brought by the State of New Jersey or any municipal or governmental agency as a result of any Violation(s), and (3) the presence of any Violation Conditions or any Violations has not caused any material adverse effect on the value or condition of the Mortgaged Property, then Mortgagor shall be considered to be in compliance with this Section 1.10(B).

(C) **Right of Entry; Inspection.** During the term of this Mortgage, Mortgagee shall have the right to enter and inspect the Mortgaged Property at reasonable times, upon at least two (2) business days’ prior written notice; provided, however, no notice need be given in emergency situations.

SECTION 1.11. Condemnation. (A) Mortgagor shall promptly notify Mortgagee of the commencement of any proceedings for the condemnation of the Mortgaged

Property (a "Taking") or any portion thereof. Mortgagee may participate in any such proceeding and may be represented therein by counsel of its selection at the expense of Mortgagor. Mortgagor from time to time will deliver to Mortgagee all instruments requested by it to permit or facilitate such participation within ten (10) business days from receipt of written demand. In the event of such condemnation proceedings, the award or compensation payable is hereby assigned to and shall be paid to Mortgagee. The proceeds of any award or compensation so received shall, at the option of Mortgagee, either be applied to the prepayment of the Debt (and such prepayment shall be subject to any applicable prepayment charges set forth in the Note) or be paid over to Mortgagor for restoration of the Mortgaged Property.

(B) Provided (1) the Mortgaged Property is capable of restoration, and (2) an Event of Default has not occurred and is continuing beyond the expiration of any applicable notice or cure period, and (3) Mortgagor, promptly after the condemnation award is settled and/or awarded, proceeds with the restoration, replacement, rebuilding or repair (hereinafter collectively referred to as "Restoration") of the Mortgaged Property as nearly as possible to the condition they were in immediately prior to such Taking, then all awards received by Mortgagee on account of such Taking, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be paid by Mortgagee out of such awards as restoration progress payments. Requests for progress payments for Restoration shall be made and certified by a licensed engineer or construction coordinator retained by Mortgagor and approved by Mortgagee (such approval not to be unreasonably denied, conditioned or withheld) and shall be accompanied by a title company or official search, or other evidence satisfactory to Mortgagee, indicating that there are no vendor's, contractor's, mechanic's, laborer's or materialman's statutory or similar liens filed against the Mortgaged Property unless same have been bonded or otherwise discharged of record or except such as will be discharged or bonded upon payment of the sum requested.

If the award, less the actual cost, fees and expenses, if any, incurred in connection with the Taking, shall be insufficient to pay the entire cost of such Restoration, Mortgagor will promptly pay the deficiency. It is intended that no trust shall be created by the receipt by Mortgagee of any proceeds of condemnation, nor shall there be any obligation on Mortgagee to pay any interest thereon.

Notwithstanding anything to the contrary contained herein or in any other Loan Document (including, without limitation, the Note), in no event shall any prepayment charge, premium or other sum be due in connection with any full or partial prepayment of the Loan required in accordance with this Section.

SECTION 1.12. Further Assurances; Compliance. Mortgagor will, at its sole cost and expense, and without expense to Mortgagee, do, execute, acknowledge and deliver all additional acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee a security interest in the Mortgaged Property, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, and/or for filing, registering or recording this Mortgage and, within ten (10) business days after written demand therefor, will execute and deliver, and hereby authorizes

Mortgagee to execute and file in Mortgagor's name to the extent it may lawfully do so, one or more financing statements, chattel mortgages or security instruments and renewals thereof, to evidence more effectively the lien hereof upon the Chattels (provided that any such document does not increase Mortgagor's obligations or decrease Mortgagor's rights under this Mortgage or any other Loan Document other than to a *de minimis* extent). Within ten (10) business days of written request by or on behalf of Mortgagee, Mortgagor will execute any document or instrument that ought to have been signed at or before the date hereof or will re-execute any document or instrument incorrectly completed and/or signed in connection herewith, including but not limited to, any amendments, corrections, deletions, or additions to the Loan documents executed in connection herewith, provided such amendments, corrections, deletions or additions are in conformity with the terms of the commitment between Mortgagee and Mortgagor for the Loan and provided that any such document does not increase Mortgagor's obligations or decrease Mortgagor's rights under this Mortgage or any other Loan Document other than to a *de minimis* extent. In the event Mortgagor fails to comply with the terms hereof following the giving of notice and in the time provided, Mortgagor hereby grants Mortgagee or Mortgagee's attorney a power-of-attorney for the sole purpose of executing or re-executing said document or instrument on Mortgagor's behalf, without additional notice; provided, however, that the foregoing power of attorney shall only be exercisable following the failure of Mortgagor to comply with this Section 1.12 within ten (10) days following receipt of written demand.

SECTION 1.13. (A) Evidence and Perfection of Lien. Mortgagor shall from time to time, cause this Mortgage, and any security instrument creating a lien or evidencing the lien hereof upon the Chattels and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully protect the lien created hereby.

(B) Payment of Fees. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution, delivery, recording and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Chattels, and any instrument of further assurance, and all federal, state, county and municipal mortgage taxes, stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection thereof or any instrument of further assurance.

SECTION 1.14. Protective Advances. All sums paid by Mortgagee as advances to protect and preserve the lien of this Mortgage and the interests of Mortgagee following an Event of Default that continues beyond any applicable notice, grace and/or cure period (collectively, "Protective Advances") shall be a lien upon the Mortgaged Property and shall be secured hereby. Protective Advances shall include, but shall not be limited to, any and all additional advances made by Mortgagee to complete Improvements or to preserve or protect the Mortgaged Property, or for any taxes, assessments or insurance premiums, or for the performance of any of Mortgagor's obligations hereunder or under any other document executed in connection with the Loan. Mortgagor will repay on demand all Protective Advances together with interest thereon at the Default Rate running from the date of written demand for the repayment of the Protective Advance or the date of the occurrence of such Event of Default.

SECTION 1.15. Mechanic's Liens; Judgments against Mortgagor or Mortgaged Property.

(A) Mortgagor will pay to discharge or bond, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, Rents, issues, income and profits arising therefrom.

(B) If any judgment is rendered against Mortgagor or the Mortgaged Property, Mortgagor shall promptly pay to discharge or bond same pending appeal. Any final judgment against Mortgagor or the Mortgaged Property shall be promptly discharged or bonded.

SECTION 1.16. Obligation to Defend. If any action or proceeding be commenced, excepting an action to foreclose this Mortgage or to collect the indebtedness hereby secured, to which action or proceeding Mortgagee is made a party by reason of the execution of this Mortgage or the Note which it secures, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all actual out-of-pocket sums paid by Mortgagee for the expense of any litigation to prosecute or defend the transactions and the rights and lien created hereby (including reasonable attorneys' fees and disbursements) shall be paid by Mortgagor together with interest thereon from the date of payment by Mortgagee at the Default Rate. All such sums paid and the interest thereon shall be immediately due and payable, shall be a lien upon the Mortgaged Property, and shall be secured hereby.

SECTION 1.17. Changes in Laws Regarding Taxation. In the event of the passage after the date of this Mortgage of any law deducting any lien from the value of the Land for the purpose of taxation, or changing in any way the laws now enforced for the taxation of mortgages or debts secured by mortgages, or the manner of the collection of any such taxes, so as to materially affect and lessen the net income on the indebtedness secured by this Mortgage, the Debt secured by this Mortgage, together with interest due thereon, shall, at the option of Mortgagee, become due and payable within ninety (90) days of the passage of any such legislation. Notwithstanding anything to the contrary contained herein or in any other Loan Document (including, without limitation, the Note), in no event shall any prepayment charge, premium or other sum be due in connection with any full or partial prepayment of the Loan required in accordance with this Section.

SECTION 1.18. Compliance with Laws. Mortgagor shall comply, in all material respects, with, or cause to be complied in all material respects with, all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorization, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers which may, as at the date of this Mortgage or thereafter, affect the Mortgaged Property or any part thereof or its use or condition, or which may affect any adjoining sidewalks, curbs, vaults and vault space if any, or streets or ways in so far as Mortgagor is required to comply therewith.

SECTION 1.19. Environmental Matters.

(A) All of the covenants of Mortgagor as an indemnitor under that certain Environmental Indemnity Agreement of even date herewith executed by Mortgagor and Guarantor in connection with the Loan are hereby incorporated by reference as a part of this Mortgage with the same force and effect as if set forth in the body hereof. Any capitalized term used in this Section 1.19 not defined herein, shall be as defined in the Environmental Indemnity Agreement.

(B) Without limitation of the Mortgagee's rights under this Mortgage or applicable law, the Mortgagee shall have the right, but not the obligation, to exercise any of its rights to cure as provided in this Mortgage or to enter onto the Mortgaged Property or to take such other actions as it deems necessary or advisable to correct, contain, cleanup, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Material, Hazardous Discharge or Environmental Complaint upon its receipt of any written notice from any Governmental Authority, informing the Mortgagee of such Hazardous Material, Hazardous Discharge or Environmental Complaint, which if true, would adversely affect any part of the Mortgaged Property or which, in the sole but commercially reasonable opinion of the Mortgagee, would adversely affect its collateral security under this Mortgage. All costs and expenses incurred and paid by the Mortgagee in the exercise of any such rights shall be paid by the Mortgagor to the Mortgagee within ten (10) business days following written demand and, if such sum is not paid as aforesaid, together with interest from the date that such sum is advanced, payment made, or expense incurred, to and including the date of reimbursement, computed at the Default Rate. Any such sum paid by the Mortgagee and the interest thereon shall be a lien on the Mortgaged Property prior to any claim, lien, right, title or interest in, to or on the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage and shall be deemed to be secured by this Mortgage and evidenced by the Note.

(C) During the continuance of an Event of Default beyond the expiration of all applicable notice, grace and/or cure periods or if Mortgagee has reasonable grounds to believe a violation of any Environmental Law exists at the Mortgaged Property, the Mortgagee, its officers, employees, agents and contractors, may enter the Mortgaged Property to inspect it and to conduct, complete and take such tests, samples, analyses and other processes (an "Environmental Survey") as the Mortgagee shall require to determine the Mortgagor's compliance with this Subsection and the Environmental Laws. The out-of-pocket costs, expenses and fees of the Mortgagee of such entry, inspection, tests, samples, analyses and processes shall be paid and reimbursed by the Mortgagor to the Mortgagee, within ten (10) business days following written demand, together with interest from the date that such sum is advanced, payment made, or expense incurred, to and including the date of reimbursement, computed at the Default Rate. Any such sum paid by the Mortgagee, with interest thereon at the rate provided to be paid on the indebtedness secured by this Mortgage, shall be a lien on the Mortgaged Property prior to any claim, lien, right, title or interest in, to or on the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage and evidenced by the Note. Notwithstanding anything to the contrary contained herein, Mortgagee may only conduct or cause to be conducted any invasive testing (i.e., sampling, drilling, etc.) if a Phase I Environmental Report obtained in accordance with the terms and provisions of the Loan Documents recommends a subsequent Phase II Environmental

Report and, following written notice to Mortgagor, such invasive testing shall be commercially reasonable and within the scope of such Phase II Environmental Report.

(D) As soon as reasonably practical, following receipt of written request, the Mortgagor shall provide to the Mortgagee the following information in the actual possession of Mortgagor or readily available to Mortgagor pertaining to all environmental operations conducted in or on the Mortgaged Property:

- (1) copies of all current licenses, certificates and permits under the Environmental Laws;
- (2) material safety data sheets and maps, diagrams and site plans showing the location of all storage areas and storage tanks for all Hazardous Materials in, used at, manufactured at, brought to or stored at the Mortgaged Property;
- (3) copies of all materials filed with any Governmental Authority;
- (4) a description of the operations and processes of the Mortgagor; and
- (5) any other information reasonably related to items (1) through (4) above which the Mortgagee may reasonably require.

SECTION 1.20. Account Requirements. Mortgagor and its affiliates shall maintain the Auto-debit Account in connection with the Mortgaged Property (the "Account") with Mortgagee.

SECTION 1.21. Indemnification. (A) Mortgagor covenants and agrees that no liability shall be asserted or enforced against Mortgagee, its officers, directors, employees or agents in connection with the Loan, the Note, this Mortgage or any other Loan Document and Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations and losses actually incurred by Mortgagee, damages (excluding indirect, special, consequential, diminution of value, exemplary, special or loss of profit, and punitive damages except for any of the foregoing actually payable by Mortgagee to a third party), claims, costs, lost profits and expenses (including reasonable attorneys' fees and court costs) (collectively, "Claims") of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee, its officers, directors, employees or agents at any time by any third party which relate to or arise from, *inter alia*: (1) any suit or proceeding (including probate and bankruptcy proceedings), or the written threat thereof, in or to which Mortgagee its officers, directors, employees or agents may or do become a party, either as plaintiff or as a defendant, by reason of the Loan, the Note or this Mortgage or for the purpose of protecting the lien of this Mortgage; (2) the offer for sale or sale of all or any portion of the Mortgaged Property; (3) the ownership, leasing, use, operation or maintenance of the Mortgaged Property, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Mortgaged Property to Mortgagee in accordance with the terms of this Mortgage; and (4) the claims of any brokers engaged by Mortgagor in connection with the Loan; provided, however, that Mortgagor shall not be obligated to indemnify or hold Mortgagee, its officers, directors, employees or agents

harmless from and against any Claims directly arising from the gross negligence or willful misconduct of Mortgagee, its officers, directors, employees or agents. All costs provided for herein and paid for by Mortgagee shall be reimbursed by Mortgagor within ten (10) business days from receipt of written demand and, if Mortgagor does not comply with this Section 1.21(A), such costs shall be added to the Debt and shall become immediately due and payable upon demand by Mortgagee and with interest thereon from the date incurred by Mortgagee until paid in full at the Default Rate.

(B) Mortgagor hereby indemnifies Mortgagee and agrees to hold Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever (including reasonable attorneys' fees) paid, incurred or suffered by or asserted against Mortgagee at any time for, with respect to, or as a direct result of any instructions received by Mortgagee in connection with the disbursement of the proceeds of the Loan which instructions were followed by Mortgagee as directed by Mortgagor.

SECTION 1.22. Certification of Ultimate Beneficial Owner(s) of Legal Entity Client. Mortgagor acknowledges that in connection with the closing of the Loan, Mortgagor executed and delivered to Mortgagee a form entitled "Certification of Ultimate Beneficial Owner(s) of Legal Entity Client" (the "**Certification**"). Mortgagor agrees (i) to promptly notify Mortgagee in the event any transfer or event should occur which would cause the Certification to no longer be accurate and (ii) to cause to be executed and delivered to Mortgagee an updated Certification within ten (10) business days of said transfer or event.

SECTION 1.23. Debt Service Coverage Ratio. Borrower shall maintain at all times a minimum **Debt Service Coverage Ratio** (as hereinafter defined)" of at least 1.4 to 1.0 (the "**Required DSCR**") to be tested annually commencing with the fiscal year ending December 31, 2027, based upon the annual financial statements to be submitted by Borrower pursuant to Section 1.06 herein and calculated based on the Mortgagee's underwriting standards and practices pursuant to the terms of this Section 1.23. If the Debt Service Coverage Ratio is not satisfied, Mortgagee may require that Borrower deposit with the Mortgagee an amount equal to one-half (1/2) of the shortfall amount in the annualized net income required for the Loan to be in compliance with the Required DSCR (the "**DSCR Reserve**") which DSCR Reserve shall be held by the Mortgagee as additional collateral for repayment of the Debt. If at the next time the Mortgagee tests the Debt Service Coverage Ratio after the DSCR Reserve has been established (which shall be no earlier than twelve (12) months after the Reserve has been established but subject to the second to last sentence of this paragraph of Section 1.23), the Required DSCR has still not been achieved, the Borrower shall pay down the Debt in an amount such that after such payment the required Debt Service Coverage Ratio is achieved. The DSCR Reserve shall be released to Borrower, provided no Event of Default then exists and is continuing beyond any applicable notice and cure periods, promptly upon achievement of the Required DSCR. Notwithstanding anything contained herein to the contrary, at any time after the DSCR Reserve has been established, Borrower may provide to Mortgagee income and expense statements and other evidence reasonably required by Mortgagee to confirm that the Required DSCR has been achieved and, upon such confirmation and provided no Event of Default has occurred and is continuing beyond any applicable notice, grace and cure period, Mortgagee shall release the DSCR Reserve.

For purposes hereof, “**Debt Service Coverage Ratio**” shall mean a ratio in which the numerator is Borrower’s annual Net Operating Income from the Mortgaged Property owned by Borrower for the fiscal year last ended or the trailing 12-month period (i.e., preceding the date of calculation), and the denominator is the total principal and interest payments made or scheduled to be made under the Note during such period - in each instance calculated on a cash basis. “**Net Operating Income**” for the Mortgaged Property owned by Borrower for each fiscal year or period, as applicable, means the total base rental income, plus any tenant reimbursement income, less all operating expenses for the Mortgaged Property owned by Borrower (excluding depreciation, income taxes and principal and interest payments and other non-recurring expenditures), made or scheduled to be made hereunder during such fiscal year or period, as applicable.

SECTION 1.24. Single Purpose Entity Requirements. Mortgagor represents, warrants, and covenants that Mortgagor has and, in the future, will cause all its documents and agreements providing for, or related to, the formation, organization and governance of Mortgagor, including its operating agreement (the “**Organizational Documents**”) to reflect:

(A) Organizational Documents. (1) to provide in its Organizational Documents for restrictions substantially similar to those set forth in this Section, or (2) not amend any provisions of its Organizational Documents so that Mortgagor is no longer in compliance with this Section. Notwithstanding anything to the contrary contained herein, for so long as the Debt is outstanding, Mortgagor acknowledges and agrees that the provisions of this Section 1.24 are automatically deemed incorporated herein by reference to its Organizational Documents.

(B) Single Business Purposes. Mortgagor shall not engage in any business or activity other than the ownership, operation, management and maintenance of the Mortgaged Property, and activities incidental thereto.

(C) Ownership of a Single Asset. Mortgagor shall not acquire or own any material assets other than the Mortgaged Property.

(D) Maintenance of Existence. Mortgagor shall not fail to do all things necessary to preserve its existence and good standing (if applicable) under the laws of the jurisdiction of its organization or formation, or not fail to qualify and remain qualified as a foreign limited liability company in each jurisdiction in which such qualification is required.

(E) Legal Formalities. Mortgagor shall not fail to maintain all customary formalities regarding its existence and operation, including holding regular meetings of the parties responsible for its governance, whether shareholders, directors, partners, members, or managers, as applicable.

(F) Merger or Consolidation. Mortgagor shall not merge into or consolidate with any individual, partnership (including limited liability partnerships), limited liability company, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature (a “**Person**”) or not dissolve, terminate or liquidate in whole or in part, or not suffer any liquidation, dissolution or winding up, in whole

or in part, or not transfer or otherwise dispose of all or a material portion of its assets, or not acquire all or a material portion of the assets or the business of a Person, or not enter into a joint venture with any Person or not become a partner in a partnership or not change its legal structure, or form of business organization.

(G) Maintain Separate Accounts. Mortgagor shall not commingle its assets or funds with the assets of any other Person, including its affiliates, or maintain its assets in such a manner that it is costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person, including its respective affiliates.

(H) Indebtedness. Mortgagor shall not incur, assume, create or suffer to exist any indebtedness except (1) trade payables and operational indebtedness incurred in the ordinary course of business with trade creditors, provided such indebtedness is (i) unsecured, (ii) is not evidenced by a note, (iii) on commercially reasonable terms and conditions, (iv) due not more than sixty (60) days past the date incurred and paid on or prior to such date, and (v) does not exceed \$100,000 in the aggregate, and (2) the Debt.

(I) Guarantees. (1) Mortgagor shall not pledge any or all of its assets for the benefit of, or to secure the obligations of, any other Person, or (2) Mortgagor shall not hold itself out as responsible for, or assume, guarantee, endorse or otherwise be or become directly or contingently responsible or liable for the obligations of any Person or otherwise assure a creditor of another Person against loss, including an agreement to purchase any obligation, stock, assets, goods or services or to supply or advance any funds, assets, goods or services, or an agreement to maintain or cause such Person to maintain a minimum working capital or net worth, except guaranties by endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

(J) Investments. Mortgagor shall not make a loan or advance to a Person, or not purchase or otherwise acquire any capital stock, assets, obligations, or other securities of, or not make any capital contribution to, or otherwise invest in or acquire any interest in any Person, including its affiliates.

(K) Transactions With Related Parties. Mortgagor shall not enter into any contract or agreement with any affiliates, except in the ordinary course of and pursuant to the reasonable requirements of the business of Mortgagor and upon fair and reasonable terms no less favorable to Mortgagor than Mortgagor would obtain in a comparable arm's length transaction with a Person that is not an affiliate.

(L) Presentation as Separate Legal Entity. Mortgagor shall (1) hold itself out to the public as a legal Person separate and distinct from any other Person, (2) conduct its business solely in its own name, and (3) endeavor to correct any known misunderstanding regarding its separate identity.

(M) Solvency. Mortgagor shall endeavor to remain solvent and shall pay its debts and liabilities from its own assets and maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated

business operations; provided that nothing contained in the foregoing shall obligate any direct or indirect member of Mortgagor to make additional equity contributions to Mortgagor.

(N) Bankruptcy. Mortgagor shall not file or consent to the filing with respect to Mortgagor of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors.

(O) Payment of Obligations. Mortgagor shall not fail to pay its own liabilities from its own separate accounts, including payment of the salaries of its employees.

(P) Employees. Mortgagor shall maintain a number of employees that are generally employed in the ordinary course of its contemplated business operations.

(Q) Maintenance of Separate Books and Records. Mortgagor shall (1) maintain its records, financial statements, accounting records, books of account, and bank accounts and Organizational Documents separate and apart from those of any other Person, including its affiliates, (2) prepare its own financial statements or be included in the financial statements of any other Person, (3) file its own tax returns or be included in the tax return of such other Person except as required by applicable law, and (4) use separate stationery, invoices and checks.

(R) Shared Expenses. Mortgagor shall allocate and charge fairly and reasonably any common employee or overhead shared with affiliates.

ARTICLE II

EVENTS OF DEFAULT AND REMEDIES

SECTION 2.01. Events of Default. If any of the following events occur, it shall be an event of default under this Mortgage (each, an "Event of Default" and collectively "Events of Default"):

(A) if (1) default shall be made in any Monthly Payment or any other payment of principal, interest or other sums under the Note or this Mortgage, when and as the same shall become due and payable, whether on the Maturity Date or by acceleration or as part of any payment or prepayment or otherwise, in each case, as in the Note and this Mortgage provide, or (2) default that continues after ten (10) days following receipt of written notice thereof in the payment of any Taxes required hereunder to be paid by Mortgagor (except with respect to real estate taxes for which Mortgagee is collecting escrow and for which sufficient funds exist to pay same in the Tax and Insurance Reserve); or

(B) if any warranty, representation or certification made by Mortgagor or Guarantor herein or in connection with the Loan shall be materially false at the time it was made; or

(C) if Mortgagor or any Guarantor shall: (1) make an assignment for the benefit of creditors; (2) file a petition in bankruptcy, under Title 11 of the U.S. Code, as amended (the "**Bankruptcy Code**"), or be adjudicated insolvent or bankrupt; (3) be the subject of an order for relief under the Bankruptcy Code, or petition or apply to any tribunal for the appointment of a receiver or a trustee for it or a substantial part of its assets; (4) file any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, whether now or hereafter in effect; (5) have filed against it a petition, application or proceeding described above in Subsection (4) above and if such a petition, application or proceeding shall have been commenced against it, which remains un-dismissed or un-stayed for a period of sixty (60) days or more (any of Section 2.01 (C)(1), (2), (3), (4) or (5) above a "**Bankruptcy Event**"); (6) by any act or omission indicate its consent to, approval of or acquiescence in any petition, application or proceeding described above or in the appointment of a custodian, receiver or any trustee for it or any substantial part of any of its property; (7) suffer any such custodianship, receivership or trusteeship to continue un-discharged for a period of sixty (60) days or more; (8) conceal, remove or permit to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them; (9) make or suffer a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; (10) make any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; (11) shall suffer or permit, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint which is not vacated within sixty (60) days from the date thereof, or (12) declare that it is insolvent in any legal proceeding; or

(D) if Mortgagor shall not maintain insurance coverage for the Mortgaged Property as required by Section 1.05 above; or

(E) if default shall be made in the due observance or performance of any covenant or agreement on the part of Mortgagor or Guarantor hereunder or in the Note, or in any other Loan Document and such default continues following thirty (30) days written notice from Mortgagor; or

(F) if, by order of a court of competent jurisdiction, a trustee, receiver or liquidator of the Mortgaged Property or any part thereof, or of Mortgagor shall be appointed or if any municipality having jurisdiction over the Mortgaged Property commences an action related to uncured violations and such trustee, receiver or liquidator shall not be discharged or dismissed within thirty (30) days after such appointment or such violation action shall not be dismissed within thirty (30) days after the return date specified on the complaint; or

(G) intentionally omitted; or

(H) if there should occur a default which is not cured within the applicable notice and cure period, if any, under any other mortgage or deed of trust of all or part of the Mortgaged Property, regardless of whether any such other mortgage or deed of trust is prior or subordinate to this Mortgage; it being further agreed by Mortgagor that an Event of Default hereunder shall constitute an Event of Default under any such other mortgage or deed of trust held by

Mortgagee. (This Subsection (H) shall not be construed to imply that Mortgagee consents to any junior or senior lien or encumbrance); or

(I) except as permitted pursuant to Section 1.07(B), if Mortgagor shall Transfer or agree to Transfer, in any manner, either voluntarily or involuntarily, by operation of law or otherwise, all or any portion of the Mortgaged Property, or any interest therein (including any air or development rights), or any Transfer of an interest in Mortgagor; provided, however, with respect to any involuntarily Transfer or any voluntary Transfer of a direct or indirect interest in Mortgagor, if any such Transfer is voided or unwound within ten (10) business days of written notice from Mortgagee such involuntary or voluntary Transfer shall not be an Event of Default hereunder; or

(J) if Mortgagor shall encumber, or agree to encumber, all or any portion of the Mortgaged Property, or any interest therein (including any air or development rights) without, in any such case, the prior written consent of Mortgagee, except with respect to utility or other similar easements that do not materially affect the value of the Mortgaged Property. Consent to one such encumbrance shall not be deemed to be a waiver of the right to require consent to future or successive encumbrances; or

(K) Mortgagor (or any other party) occupies or uses the Mortgaged Property (1) without first obtaining at least a temporary certificate of occupancy therefor or its equivalent and delivering a copy thereof to Mortgagee (unless the current Improvements and the use thereof predates the requirement for a certificate of occupancy) and/or (2) Mortgagor (or any other party) thereafter occupies in violation of such certificate of occupancy and the same is not cured within ten (10) business days following receipt of written request; or

(L) in the event Mortgagor shall become in default, beyond the expiration of any applicable notice, grace and/or cure periods, under the terms of any other loan or agreement with Mortgagee; or

(M) if Mortgagor or any Guarantor fails to furnish to Mortgagee within the time periods set forth herein (taking into consideration any notice, grace and/or cure periods) the financial statements required to be delivered by Mortgagor and/or Guarantor pursuant to Section 1.06 herein; or

(N) if any judgment for \$125,000.00 or more shall be rendered against Mortgagor or \$300,000.00 or more shall be rendered against any Guarantor which shall not be discharged or bonded pending appeal in each case within thirty (30) days from and after the date of entry thereof; or

(O) if the Account is not maintained with Mortgagee pursuant to Section 1.20 above; provided, however, if the Mortgage and Note are assigned to another party which is not a banking institution, this subsection "O" shall be automatically deleted and will no longer be an Event of Default; or

(P) in the event of the death of both Guarantors (subject to Section 2.01(I) herein below); or

(Q) if Mortgagor fails to deliver any Prepaid Lease Amounts to Mortgagee as required by Section 1.08(G) hereinabove; or

(R) if Guarantor does not maintain a combined net worth of at least \$50,000,000 or combined liquidity of at least \$3,000,000 (which shall be measured annually);

Then and in every such case:

I. **Interest Rate After Event of Default.** After any Event of Default, interest shall accrue at the rate of twenty-four percent (24%) per annum (the "Default Rate"). Notwithstanding the foregoing, except for an Event of Default under Section 2.01(A), (B), (C), (D), (F), (H), (I), (J), (K), (N), or (Q) above, Mortgagee will thereafter provide Mortgagor with notice of an Event of Default hereunder and provide thirty (30) days to cure same before accelerating the due date of the Debt and/or charging interest at the Default Rate. In such a case, Mortgagee shall also provide a reasonable extension to the period of time to cure such Event of Default before accelerating the due date of the Debt and/or charging interest at the Default Rate provided that: (i) Mortgagor is diligently pursuing said cure to the satisfaction of Mortgagee, and (ii) the failure to cure said Event of Default has not jeopardized the priority of Mortgagee's lien or had a material adverse impact on the value of the Mortgaged Property, and (iii) such extension of time shall not exceed sixty (60) days. Whenever the Default Rate provided for herein shall apply, it shall continue to accrue and shall be paid on any amounts to which the Default Rate is applied until said amounts are paid in full. In addition, in the event that Mortgagor fails to cure any Event of Default (regardless of whether or not a cure period is provided) and the due date of the Debt is subsequently accelerated as a result of such Event of Default, interest due hereunder shall be payable at the Default Rate from the date of such Event of Default.

With respect to Section 2.01(P), provided: (1) Mortgagee is notified of the death of both individuals comprising the Guarantor, and (2) Mortgagee is provided a replacement guarantor(s) acceptable to Mortgagee in its sole and absolute discretion, and (3) said replacement guarantor(s) execute(s) and deliver(s) a replacement guaranty and environmental indemnity in forms substantially equivalent to those signed by the deceased Guarantor within one hundred twenty (120) days of the death of such Guarantor, THEN the death of both individuals comprising the Guarantor shall not be considered an Event of Default hereunder.

II. **Ability to Accelerate Due Date of Debt.** During the continuance of any such Event of Default that continues beyond all applicable notice, grace and/or cure periods, Mortgagee, by written notice given to Mortgagor, may declare the entire Debt then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, to be due and payable immediately, and upon any such declaration the Debt outstanding and any accrued and unpaid interest together with a prepayment penalty equal to the then applicable prepayment penalty that would be payable as of the day of the declaration of the Debt shall become and be immediately due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding.

III. **Right of Entry; Receiver.** During the continuance of any such Event of Default beyond all applicable notice, grace and/or cure periods, Mortgagee, or by its agents or attorneys, may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and is hereby given a right and license and appointed Mortgagor's attorney in fact to do so, and may exclude Mortgagor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Mortgagee, at the expense of Mortgagor, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, whereof it shall become possessed as aforesaid, and may insure the same, and likewise, from time to time, at the expense of Mortgagor, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise as it shall deem best; and Mortgagee shall be entitled to collect and receive all earnings, revenues, Rents, issues, profits and income of the Mortgaged Property and every part thereof, all of which shall for all purposes constitute property of Mortgagee, and in furtherance of such right, Mortgagee may collect the Rents payable under all Leases of the Mortgaged Property directly from the Lessees thereunder upon notice to each Lessee that an Event of Default exists hereunder accompanied by a demand on each Lessee for the payment to Mortgagee of all Rents due and to become due under its respective Lease. Mortgagor, for the benefit of Mortgagee and each Lessee hereby covenants and agrees that the Lessee shall be under no duty to question the accuracy of Mortgagee's statement of default and shall unequivocally be authorized to pay said Rents to Mortgagee without regard to the truth of Mortgagee's statement of the existence of an Event of Default such that the payment of Rent by the Lessee to Mortgagee pursuant to such a demand shall constitute performance in full of the Lessee's obligation under the Lease for the payment of Rents by the Lessee to Mortgagor; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of all attorneys, independent contractors and agents, clerks, servants and other employees engaged and employed by Mortgagee, Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of the Debt outstanding and the interest thereon, when and as the same shall become payable and second, to the payment of any other sums required to be paid by Mortgagor under the Note and/or this Mortgage.

Under no circumstances shall Mortgagee have any duty to produce Rents from the Mortgaged Property. Regardless of whether or not Mortgagee, in person or by agent, takes actual possession of the Mortgaged Property, Mortgagee is not and shall not be deemed to be: (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor under any Lease; (c) responsible for any waste, including, but not limited to waste committed by Lessees or any other parties, any dangerous or defective condition of the Mortgaged Property, or any negligence in the management, upkeep, repair or control of the Mortgaged Property; or (d) liable in any manner for the Mortgaged Property or the use,

occupancy, enjoyment or operation of all or any part of it, except for such matters as may arise from the gross negligence or willful misconduct of Mortgagee.

IV. **Foreclosure; Specific Performance.** Following an Event of Default that continues beyond all applicable notice, grace and/or cure periods, Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable, may:

(1) institute proceedings for the complete or partial foreclosure of this Mortgage; or

(2) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

V. **Deed in Lieu of Foreclosure.** If Mortgagor delivers a deed-in-lieu of foreclosure to Mortgagee, Mortgagor shall pay (i) all applicable transfer taxes due in connection with the transfer of the Mortgaged Property to Mortgagee, (ii) the cost of a title insurance policy insuring title to the Mortgaged Property in favor of Mortgagee or its nominee, and (iii) any other expenses incurred by Mortgagee including reasonable attorney fees.

SECTION 2.02. Foreclosure Sale; Adjournment; Execution of Instruments; Application of Proceeds.

(A) Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales (which announcement shall be made in accordance with all applicable laws); and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(B) Upon the completion of any sale or sales made by an officer of any court empowered to do so pursuant to applicable laws, Mortgagor shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument or instruments conveying, assigning and transferring all estate, right, title and interest in and to the Mortgaged Property and rights sold. Mortgagee is hereby irrevocably appointed the true and lawful attorney of Mortgagor in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold, and for that purpose, Mortgagee may execute all necessary instruments of conveyance, assignment and transfer and may substitute one or more persons with like power. Mortgagee hereby ratifies and confirms all acts that its said attorney or such substitute or substitutes shall lawfully do. Nevertheless, Mortgagor, if requested by Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers, all said instruments as may be advisable in the sole judgment of Mortgagee, for the purpose and as may be designated in such request. Any such sale or sales made under or by virtue of this Article II, whether made under the power of

sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the Mortgaged Property and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

(C) In the event of any sale or sales made under or by virtue of this Article II (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the entire principal of, and interest on, the Note, if not previously due and payable, and all other sums required to be paid by Mortgagor pursuant to this Mortgage, immediately thereupon shall become due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding.

(D) The purchase money proceeds or avails of any sale or sales made under or by virtue of this Article II, together with any other sums which then may be held by Mortgagee under this Mortgage, whether under the provisions of this Article II or otherwise, shall be applied as follows:

FIRST: To the payment of the actual costs and expenses of such sale, including reasonable compensation to Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all actual expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage, together with interest at the Default Rate on all advances made by Mortgagee, and of all or other charges, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

SECOND: To the payment of the amount then due, owing or unpaid upon the Note for principal and interest, with interest on the unpaid principal at the Default Rate from and after the happening of any Event of Default described in Section 2.01 hereof from the due date of any such payment until the same is paid.

THIRD: To the payment of any other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage or of the Note (including but not limited to any prepayment charge or premium), all with interest at the Default Rate, from the date such sums were or are required to be paid under this Mortgage or the Note.

FOURTH: To the payment of the surplus, if any, to Mortgagor or to whomsoever may be lawfully entitled to receive the same.

(E) Upon any sale or sales made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness secured by this Mortgage the net sales price

after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage.

SECTION 2.03. Payments Upon Default; Enforcement; Recovery of Judgment.

(A) In case of an Event of Default described in Section 2.01(A) hereof shall have occurred and be continuing beyond all applicable notice, grace and/or cure periods, Mortgagor will pay to Mortgagee all amounts which then shall have become due and payable under the Note (including but not limited to principal, all accrued interest and any prepayment charge or premium), and after the happening of said Event of Default will also pay to Mortgagee interest at the Default Rate on the then unpaid principal of the Note, and the sums required to be paid by Mortgagor pursuant to any provision of this Mortgage, and in addition thereto, such further amount as shall be sufficient to cover the actual costs and expenses of collection, including reasonable compensation to Mortgagee, agents and counsel fees and any expenses incurred by Mortgagee hereunder. In the event Mortgagor shall fail forthwith to pay such amounts upon such demand, Mortgagee shall be entitled and empowered to institute such action or proceedings at law or in equity as may be advised by its counsel for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Mortgagor and collect, out of the property of Mortgagor wherever situated as well as out of the Mortgaged Property, in any manner provided by law, monies adjudged or decreed to be payable with interest thereon at the Default Rate.

(B) Mortgagee shall be entitled to recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of the provisions of this Mortgage; and the right of Mortgagee to recover such judgment shall not be affected by any entry of sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage, or the foreclosure of the lien hereof, and in the event of a sale of the Mortgaged Property, and of the application of the proceeds of sale as in this Mortgage provided, to the payment of the Debt hereby secured, Mortgagee shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon, the Note, and to enforce payment of all other charges, payments and costs due under this Mortgage, and shall be entitled to recover judgment for any portion of the Debt remaining unpaid, with interest at the Default Rate. In case of proceedings against Mortgagor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of its assets, then Mortgagee shall be entitled to prove the whole amount of principal and interest due upon the Note to the full amount thereof, and all other payments, charges and costs due under this Mortgage, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Mortgaged Property, provided, however, that in no case shall Mortgagee receive a greater amount than such principal and interest and such other payments, charges and costs due hereunder from the aggregate amount of the proceeds of the sale of the Mortgaged Property and the distribution from the estate of Mortgagor.

(C) No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of Mortgagee hereunder, but such liens,

rights, powers and remedies of Mortgagee shall continue unimpaired as before until the lien is satisfied.

(D) Any monies collected by Mortgagee under this Section 2.03 shall be applied by Mortgagee in accordance with the provisions of clause (D) of Section 2.02 hereof.

SECTION 2.04. Appointment of Receiver. After the happening of any Event of Default that continues beyond all applicable notice, grace and/or cure periods, and immediately upon the commencement of any action, suit or other legal proceedings by Mortgagee to obtain judgment for the principal of, or interest on, the Note and other sums required to be paid by Mortgagor pursuant to any provision of the Note and/or this Mortgage, or of any other nature in aid of the enforcement of the Note or of this Mortgage, Mortgagor will consent to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, Rents, issues, profits and income thereof. After the happening of any Event of Default that continues beyond all applicable notice, grace and/or cure periods, and upon the commencement of any proceedings to foreclose this Mortgage or to enforce the specific performance hereof, or in aid thereof, or upon the commencement of any other judicial proceeding to enforce any right of Mortgagee, Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the indebtedness secured hereby, forthwith either before or after declaring the unpaid principal of the Note to be due and payable, to the appointment of such a receiver or receivers.

SECTION 2.05. Retention of Possession and Control. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, Mortgagee shall be entitled to retain possession and control of all property now or hereafter held under this Mortgage.

SECTION 2.06. Cumulative Remedies. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or any acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of Mortgagor to repay the Debt.

SECTION 2.07. Mortgagor's Waiver of Stay. Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property, or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force, providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of

any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted, or redeem the property so sold or any part thereof, and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof. Mortgagor hereby agrees and consents that should it or any Guarantor be the subject of a Bankruptcy Event, Mortgagee shall thereupon be entitled, and Mortgagor irrevocably consents, to relief from any automatic stay imposed by Section 362 of the United States Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided herein or with respect to any other Loan document or as otherwise provided by law.

SECTION 2.08. Payment for Occupancy; Surrender of Possession. During the continuance of any Event of Default that continues beyond all applicable notice, grace and/or cure periods, and pending the exercise by Mortgagee of its right to exclude Mortgagor from all or any part of the Mortgaged Property, if Mortgagor is using and occupying the Mortgaged Property, Mortgagor agrees to pay the fair and reasonable rental value for the use and occupancy of the Mortgaged Property, or any portion thereof, which is in its possession for such period and, upon default of any such payment, will vacate and surrender possession of the Mortgaged Property to Mortgagee or to a receiver, if any, and in default thereof may be evicted by any summary action or proceeding for the recovery of possession of Mortgaged Property for non-payment of rent, however designated.

SECTION 2.09. No Liability for Failure to Act or Loss to Mortgagor. Except as otherwise provided pursuant to applicable laws, Mortgagee shall not be directly or indirectly liable to Mortgagor or any other person as a consequence of: (i) Mortgagee's exercise of or failure to exercise any rights, remedies, or powers granted to it in this Mortgage or to perform or discharge any obligation or liability of Mortgagor under any agreement executed in connection with this Mortgage; or (ii) any loss sustained by Mortgagor or any third party resulting from any act or omission of Mortgagee in managing the Mortgaged Property, unless the loss is caused by the gross negligence or willful misconduct of Mortgagee. Mortgagor hereby expressly waives and releases all liability of the types described above, and agrees that no such liability shall be asserted against or imposed upon Mortgagee.

SECTION 2.10. Recourse Obligations. Notwithstanding anything to the contrary contained in this Mortgage, the Note or any other Loan Document, except as expressly set forth in the Guaranty and the Environmental Indemnity Agreement (as such term is defined in the Note), neither Mortgagee nor any subsequent holder of the Note, this Mortgage and/or any other Loan Document nor any successor or assign thereof, shall have any claim, remedy or right to proceed against the Guarantor or any of Mortgagor's direct or indirect principals, members, officers, employees, representatives, agents, affiliates or any person or entity related thereto, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by the Note or any other obligation hereunder or under any other Loan Document or for the payment of any liability resulting from the breach of any representation, covenant, agreement or

warranty of any nature whatsoever in any Loan Document, from any source other than Mortgagor, and Mortgagee and any subsequent holder of the Note and this Mortgage by acceptance thereof, waives and releases any personal liability of the Guarantor (except as expressly provided in the Guaranty and the Environmental Indemnity Agreement) or any of Mortgagor's direct or indirect principals, members, officers, employees, representatives, agents, affiliates or any related person or entity thereto on account of such indebtedness or such liability and Mortgagee and any subsequent holder of the Note, this Mortgage and/or any other Loan Document agrees to look solely to Mortgagor (except as expressly provided in the Guaranty and the Environmental Indemnity Agreement).

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Severability. In the event any one or more of the provisions contained in this Mortgage or in the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

SECTION 3.02. Notices. All notices or other communications required or otherwise given pursuant to the Note and/or Mortgage shall be in writing and shall be personally delivered, delivered by overnight courier or mailed by registered or certified mail, postage prepaid, with return receipt requested, addressed as follows:

If to Mortgagor:

17 Academy Newark Urban Renewal LLC
355 Market, LLC
Paramount Properties 102 State, LLC
45 Academy Street, 5th Floor
Newark, New Jersey 07102
Attention: Ronnie Levy

If to Mortgagee:

Customers Bank
40 General Warren Boulevard, Suite 200
Malvern, Pennsylvania 19355
Attention: Commercial Mortgage Servicing

Any party may change the person or address to whom or which notices are to be given hereunder, by notice duly given hereunder; provided, however, that any such notice shall be

deemed to have been given hereunder only when actually received by the party to which it is addressed. Any notice or other communication given hereunder shall be deemed to have been given or delivered, if personally delivered, upon delivery, if sent by overnight courier, on the first (1st) Business Day after being sent, and if sent by mail, on the third (3rd) Business Day after mailing. Each party shall be entitled to rely on all communications which purport to be given on behalf of any other party hereto and purport to be signed by an authorized signatory of such party.

SECTION 3.03. Covenants Run With Land; Successors and Assigns.

All of the grants, covenants, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure to the benefit of, the successors and permitted assigns of Mortgagor and the successors and assigns of Mortgagee. If there is more than one mortgagor, the covenants and warranties hereof shall be joint and several. As used herein, the singular shall include the plural as the context requires.

SECTION 3.04. Usury. No provision in this Mortgage or in the Note shall require the payment, or permit the collection of, interest in excess of the maximum amount permitted by law. Mortgagor shall not be obligated to pay any interest in excess of such maximum amount. Any interest paid by Mortgagor in excess of the maximum legal rate of interest shall be retained by Mortgagee as additional cash collateral for repayment of the Debt.

SECTION 3.05. Duplicate Originals; Counterparts. This Mortgage and each of the other Loan Documents may be executed in any number of duplicate originals, and each duplicate original shall be deemed to be an original. This Mortgage and each of the other Loan Documents (and each duplicate original) also may be executed in any number of counterparts, each of which shall be deemed an original and all of which together constitute a fully executed agreement even though all signatures do not appear on the same document.

SECTION 3.06. Intentionally omitted.

SECTION 3.07. Mortgagee's Right to Sell, Participate. Mortgagee may sell transfer, or participate all or any portion of the Loan to one or more persons or parties, with or without notice to Mortgagor, and all documentation, financial statements, appraisals and other data, or copies thereof, relevant to Mortgagor, may be exhibited to, and retained by, any such prospective person or party.

SECTION 3.08. Modification in Writing. This Mortgage may not be changed, waived, discharged or terminated, except by an instrument in writing signed by Mortgagee; provided, however, any change or amendment to this Mortgage must be signed by an instrument in writing signed by both Mortgagee and Mortgagor.

SECTION 3.09. Security Agreement. This Mortgage shall be deemed to be a security agreement pursuant to the Uniform Commercial Code of the State of New Jersey. Mortgagor shall be the debtor, Mortgagee shall be the secured party and the collateral shall be the Mortgaged Property to the extent same may be secured by a Uniform Commercial Code security agreement and/or a UCC-1 Financing statement.

SECTION 3.10. Time of the Essence. All time periods provided herein shall be deemed to be of the essence.

SECTION 3.11. Severance of Lien. At the sole election of Mortgagee, this Mortgage and the Note may be split or divided into two or more notes and mortgages constituting liens on the Mortgaged Property or portions thereof in such principal amounts as Mortgagee shall designate but in no event to exceed the aggregate principal amount evidenced by the Note and secured, or which may under any contingency be secured, by this Mortgage. Mortgagor, upon the request of Mortgagee and at no cost to Mortgagor, shall execute, acknowledge and deliver to Mortgagee and/or its designee or designees such documents as may be necessary to effectuate the foregoing, including, without limitation, such supplemental or substitute mortgages, assignments of rents and leases, security agreements, supplemental or replacement notes and other documents as Mortgagee may require (provided that any such document does not increase Mortgagor's obligations or decrease Mortgagor's rights under this Mortgage or any other Loan Document other than to a *de minimis* extent). Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact, coupled with an interest, to execute any documents and take any other steps, in Mortgagor's name or otherwise, and at Mortgagor's expense in order to effectuate any or all of the foregoing provided however that the foregoing power of attorney shall only be exercisable following Mortgagor's failure to execute any documentation requested pursuant to this Section 3.11 within ten (10) days following receipt of written request therefor.

SECTION 3.12. Intentionally omitted.

SECTION 3.13. Waiver of Jury Trial. Mortgagor waives all rights to trial by jury in any action, proceeding, claim or counterclaim arising out of this Mortgage, the Note or any other document executed and/or delivered in connection herewith.

SECTION 3.14. Nature of Relationship Limited. Nothing contained in this Mortgage or the Note or any other document executed and/or delivered in connection herewith shall be deemed or construed to create a partnership or joint venture or any other relationship between Mortgagor and Mortgagee other than that of borrower and lender, respectively.

SECTION 3.15. Right of Set Off. Mortgagor hereby pledges and grants to Mortgagee a continuing lien, security interest and right of set off as security for all liabilities and obligations to Mortgagee, whether now existing or hereafter arising upon and against all Accounts and the monies contained therein, certificates of deposit, credits and/or any other instruments or securities in the possession, custody, safekeeping or control of Mortgagee, its successors and/or assigns or in transit to any of them (collectively, the "**Secured Accounts**"). Following an Event of Default that continues beyond applicable notice, grace and/or cure periods, Mortgagee shall have the right to set off, without notice to Mortgagor, against any liability or obligation of Mortgagor, including but not limited to interest, principal, Tax and Insurance Reserves, fees or other charges due in connection with the Note or this Mortgage from the Secured Accounts. ANY AND ALL RIGHTS TO REQUIRE MORTGAGEE TO

EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF MORTGAGOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

SECTION 3.16. Satisfaction of this Mortgage; Future Assignment of this Mortgage. Upon repayment in full of the Note and the performance of all obligations secured hereby in accordance with the terms and conditions of this Mortgage and the other Loan Documents, Lender shall deliver a satisfaction or release of this Mortgage in proper form for recording. As a condition to any such satisfaction, Borrower covenants and agrees to pay Lender's reasonable out-of-pocket expenses of the Lender in connection therewith. Upon any such satisfaction, Lender shall, automatically and without the need for any further documentation, be absolutely and unconditionally released from any and all claims or liabilities in connection with the Loan. Notwithstanding anything contained to the contrary herein, provided no Event of Default has occurred and is continuing beyond the expiration of any applicable notice and cure period, upon payment in full of all sums due under the Note and this Mortgage, at the request of Mortgagor, without any representation, recourse or liability to or from Mortgagee, Mortgagee will assign the Mortgage to a new lender upon payment of (i) an assignment fee to Mortgagee in the amount of up to \$1,500.00 and (ii) the payment of Mortgagee's reasonable attorney's fees for the preparation and delivery of the assignment of mortgage. Nothing herein contained shall impose any liability on Mortgagee for the loss of any documents, including but not limited to the Note or the recorded Mortgage.

SECTION 3.17. Intentionally omitted.

SECTION 3.18. Maximum Amount Secured. The maximum amount of the principal indebtedness secured by this Mortgage at execution or which under any contingency may become secured by this Mortgage is Six Million Three Hundred Thousand and 00/100 Dollars (\$6,300,000.00), plus all amounts actually expended by and due to Mortgagee after an Event of Default by Mortgagor pursuant to and in accordance with the terms set forth in Section 3.08 of this Mortgage.

SECTION 3.19. Interpretation of Provisions. The parties hereto acknowledge that each has been represented by counsel in connection with the Loan. Accordingly, any rule or law or any legal decision that would require the interpretation of any claimed ambiguities in the Note, this Mortgage or any other Loan document against the party that drafted it has no application and is expressly waived by the other parties hereto. The provisions of the Note, this Mortgage and the other Loan documents shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto.

SECTION 3.20. Paragraph Headings. The paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Mortgage and shall not limit the rights of Mortgagee with respect to any of the subject matter set forth therein.

SECTION 3.21. Release of Part of Mortgaged Property. By its acceptance of this Mortgage, the Mortgagee agrees to release the portion of the Mortgaged Property owned by both 355 Market, LLC and Paramount Properties 102 Orange, LLC from this Mortgage and all other Loan Documents upon satisfaction of either of the following: (a) paydown of the Principal Amount of the Note to a balance of \$3,300,000.00 (if the Lease with Equal Space is not signed or the Loan is repaid with cash and not a refinancing then such paydown shall not be subject to any prepayment charge) and confirmation that the Debt Service Coverage Ratio is at least 1.4 to 1.0; or (b) at such time that the Equal Space has commenced payment of its rent pursuant to a Lease with Equal Space that is at the terms equal to or better than those provided in the draft lease with Equal Space delivered to the Mortgagee. Mortgagor shall be responsible for the reasonable fees of Mortgagee's counsel for the preparation and delivery of the release documentation. For the avoidance of doubt, if Mortgagor makes a paydown due to the refinance of the Loan, the prepayment charge shall not be waived.

[NO FURTHER TEXT ON THIS PAGE]

NOT CERTIFIED COPY

[Signature Page to First Mortgage and Security Agreement]

IN WITNESS WHEREOF, this Mortgage has been duly executed by Mortgagor as of the date first set forth above.

17 ACADEMY NEWARK URBAN RENEWAL
LLC

By: RLT Investment Holdings, LLC, its Managing
Member

By: _____

Name: Ronnie Levy

Title: Manager

355 MARKET, LLC

By: RLT Investment Holdings, LLC, its Managing
Member

By: _____

Name: Ronnie Levy

Title: Manager

PARAMOUNT PROPERTIES 102 STATE,
LLC

By: Levy 5050 Holdings LLC, its sole member

By: RLT Investment Holdings, LLC, its Managing
Member

By: _____

Name: Ronnie Levy

Title: Manager

NOT CERTIFIED COPY

SCHEDULE A

Parcel 1

ALL that (those) certain lot(s), tract(s) or parcel(s) of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Newark, County of Essex, and State of New Jersey and is bounded and described as follows:

BEGINNING at a point in the northeasterly line of Academy Street, said point being distant north 66 degrees 52 minutes 39 seconds west 217.60 feet from the intersection of the northwesterly line of Broad Street and the northeasterly line of Academy Street and from said point running thence;

1. Along the northeasterly line of Academy Street north 66 degrees 52 minutes 39 seconds west 94.59 feet to a point, thence
2. North 23 degrees 13 minutes 00 seconds east 109.64 feet to a point in the southwesterly line of Raymond Boulevard; thence
3. Along the southwesterly line of Raymond Boulevard south 66 degrees 34 minutes 00 seconds east 94.20 feet to a point; thence
4. South 22 degrees 51 minutes 00 seconds west 109.13 feet to a point in the northeasterly line of Academy Street and which point is the point and place of BEGINNING.

The above description is drawn in accordance with a survey made by Eric P. Silvestro, P.L.S., dated 09/20/2018.

FOR INFORMATIONAL PURPOSES ONLY: BEING known as Tax Lot 4, in Tax Block 53, on the Official Tax Map of the City of Newark.

FOR INFORMATIONAL PURPOSES ONLY: The mailing address is: 17-25 Academy Street, Newark, New Jersey 07102.

Parcel 2

ALL that (those) certain lot(s), tract(s) or parcel(s) of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Paterson, County of Passaic, and State of New Jersey and is bounded and described as follows:

Beginning at the corner formed by the intersection of the Southeasterly line of Summer Street (50 foot right-of-way) with the Northeasterly line of Market Street (50 foot right-of-way) and running; thence

1. Along said southeasterly line of Summer Street, North 18 degrees 32 minutes 53 seconds West a distance of 53.66 feet to a point; thence

2. North 83 degrees 38 minutes 03 seconds East a distance of 12.18 feet to a point; thence
3. North 01 degree 09 minutes 49 seconds East a distance of 58.07 feet to a point; thence
4. North 75 degrees 26 minutes 08 seconds East a distance of 27.90 feet to a point; thence
5. North 01 degree 03 minutes 30 seconds East a distance of 51.90 feet to a point; thence
6. North 83 degrees 35 minutes 30 seconds East a distance of 23.67 feet to a point; thence
7. North 74 degrees 07 minutes 30 seconds East a distance of 28.17 feet to a point; thence
8. North 15 degrees 45 minutes 30 seconds West a distance of 49.92 feet to a point; thence
9. North 74 degrees 07 minutes 30 seconds East a distance of 50.00 feet to a point; thence
10. South 15 degrees 45 minutes 30 seconds East a distance of 38.00 feet to a point; thence
11. North 74 degrees 07 minutes 30 seconds East a distance of 175.00 feet to a point in the Southwesterly line of Carroll Street; thence
12. Along said Southwesterly line of Carroll Street, South 15 degrees 52 minutes 30 seconds East a distance of 25.00 feet to a point; thence
13. South 74 degrees 07 minutes 30 seconds West a distance of 96.60 feet to a point; thence
14. South 15 degrees 52 minutes 30 seconds East a distance of 25.00 feet to a point; thence
15. North 74 degrees 07 minutes 30 seconds East a distance of 96.60 feet to a point in said Southwesterly line of Carroll Street; thence
16. Along said Southwesterly line of Carroll Street, South 15 degrees 52 minutes 30 seconds East a distance of 25.00 feet to a point; thence
17. South 74 degrees 07 minutes 30 seconds West a distance of 130.43 feet to a point; thence
18. South 15 degrees 45 minutes 30 seconds East a distance of 50.00 feet to a point; thence
19. South 74 degrees 07 minutes 30 seconds West a distance of 9.66 feet to a point; thence
20. North 88 degrees 07 minutes 30 seconds West a distance of 100.00 feet to a point in said Northeasterly line of Market Street; thence
21. South 01 degree 51 minutes 30 seconds West a distance of 100.00 feet to a point in said Northeasterly line of Market Street; thence

22. Along said Northeasterly line of Market Street, North 88 degrees 08 minutes 30 seconds West a distance of 180.75 feet to said Southeasterly line of Summer Street and the point and place of BEGINNING.

The above description is drawn in accordance with a survey made by William Held Associates Inc., dated 04/26/12.

FOR INFORMATIONAL PURPOSES ONLY: BEING known as Tax Lot 16, 18, 26, 27, 28, in Tax Block 4320, on the Official Tax Map of the City of Paterson.

FOR INFORMATIONAL PURPOSES ONLY: The mailing address is: 268 and 272 Carroll Street, 365-367 Market Street, 357-363 Market Street, 355 Market Street, Paterson, New Jersey 07501.

Parcel 3

ALL that (those) certain lot(s), tract(s) or parcel(s) of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Perth Amboy, County of Middlesex, and State of New Jersey and is bounded and described as follows:

Tract 1:

BEGINNING at a point in the easterly line of State Street, distant 169.38 feet northerly from the corner formed by the intersection of the easterly line of State Street, distant 169.38 feet northerly from the corner formed by the intersection of the easterly line of State Street with the northerly line of Lewis Street, and from thence running

- (1) North 18 degrees 45 minutes East and along State Street, 46.00 feet to a point, in the southerly line of lands now or formerly of Rodriquez, thence
- (2) South 71 degrees 15 feet East and along said Rodriquez, and at right angles to State Street, 100.00 feet to a point, thence
- (3) South 18 degrees 45 minutes West and parallel to State Street, 46.00 feet to a point, thence
- (4) North 71 degrees 15 feet West and parallel to the second course, 100.00 feet to the easterly line of State Street and the point or place of BEGINNING.

Tract 2:

BEGINNING at a point in the easterly line of State Street, which point is distant 124.38 feet in a northerly direction from the intersection formed by the said easterly line of State and the northerly line of Lewis Street; running thence

- (1) Northerly along State Street 45 feet to a point; thence

- (2) Easterly and at right angles with State Street, 100 feet to a point; thence
- (3) Southerly and parallel with State Street 45 feet to a point; thence
- (4) Westerly and parallel with the second described course 100 feet to the said easterly line of State Street, and the point and place of BEGINNING.

The above is described in the below description which combines Tract 1 and Tract 2 above.

BEGINNING at a point in the easterly line of State Street, in the northerly line of lands now or formerly of Martinez, which point is distant 124.38 feet northerly from the corner formed by the intersection of the easterly line of State Street with the northerly line of Lewis Street, and from thence running

- 1) North 18 degrees 45 feet East, a distance of 91 feet, thence
- 2) South 71 degrees 15 feet East, a distance of 100 feet, thence
- 3) South 18 degrees 45 feet West, a distance of 91 feet, thence
- 4) North 71 degrees 15 feet West, a distance of 100.00 feet to the POINT OF BEGINNING.

FOR INFORMATIONAL PURPOSES ONLY: BEING known as Tax Lot 50, 49 in Tax Block 22, on the Official Tax Map of the City of Perth Amboy.

FOR INFORMATIONAL PURPOSES ONLY: The mailing address is: 102 State Street, 104 State Street, Perth Amboy, New Jersey 08861.