

**UPON RECORDING THIS INSTRUMENT
SHOULD BE RETURNED TO:**

Pullman & Comley, LLC
850 Main Street
Bridgeport, Connecticut 06604
Attention: John F. Stafstrom, Esq.

**OPEN-END LEASEHOLD MORTGAGE DEED
AND SECURITY AGREEMENT**

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

KNOW YE, that on this 5th day of January, 2012, **THE JACKSON LABORATORY** a Maine non-profit corporation having its principal place of business at 600 Main Street, Bar Harbor, Maine 04609 (“**Mortgagor**”) for value received to its full satisfaction of **CONNECTICUT INNOVATIONS, INCORPORATED**, a quasi-public agency of the State of Connecticut, having its principal place of business at 999 West Street, Rocky Hill, Connecticut 06067 (hereinafter referred to as the “**Mortgagee**”) did give, grant, bargain, sell, assign and confirm with MORTGAGE COVENANTS unto the Mortgagee, its successors and assigns forever the following property rights (collectively, the “**Mortgaged Property**”):

(A) The leasehold estate and all other tenancy, term, right, title and interest of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to the land described in **Schedule A** attached hereto, incorporated herein and made a part hereof (the “**Land**”), which is located in the Town of Farmington, County of Hartford and State of Connecticut and being commonly known as 299 and a portion of 263 Farmington Avenue, and any and all other property, under or by virtue of that certain Ground Lease Agreement dated January 5, 2012, by and between Mortgagor as Tenant and the State of Connecticut, acting by and through The University of Connecticut Health Center (“**UCHC**”) as Landlord, a notice or memorandum of the Lease having been recorded in the Land Records for the Town of Farmington on even date herewith prior to this Mortgage, and all estate, tenancy, term, right, title and interest of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to the Land and any and all other property under or by virtue of any and all presently effective or future amendments, supplements, extensions or renewals of the Lease or any and all presently effective or future leases or similar agreements constituting replacement(s) or substitution(s) for the Lease, as the Lease may have been modified, supplemented, extended or renewed (the Lease, as presently constituted and as it may be amended, extended, renewed, replaced or substituted for after the date hereof, being hereinabove and hereinafter referred to in this Mortgage as the “**Lease**”);

(B) **TOGETHER WITH**, any and all rights, privileges and benefits, of whatever character, now or hereafter derived by Mortgagor, or to which Mortgagor is now or hereafter

may be entitled, under or by virtue of the Lease, including, without limitation: (i) any and all rights of Mortgagor to exercise options (including, without limitation, options to purchase, renew, extend, terminate, reject or assume), give consents and receive payments, reimbursements and refunds; (ii) any and all claims and rights to the payment of damages that may presently exist or hereafter arise under or in connection with the Lease or the rights of Mortgagor thereunder; (iii) any and all rights, privileges and benefits, of whatever character, to which Mortgagor may be or may become entitled pursuant to Section 365 of the Bankruptcy Code, including, without limitation, all of Mortgagor's rights to remain in possession after rejection or disaffirmance of the Lease by any trustee of the Landlord; and (iv) any and all easements, rights-of-way and rights of use or passage granted or allowed to Mortgagor under or in connection with the Lease (the aforesaid leasehold estate, tenancy, term, right, title and interest, together with the aforesaid rights, privileges and benefits, being collectively referred to in this Mortgage as the "**Leasehold Estate**"); for the avoidance of doubt, the rights granted by the Mortgagor exclude any and all rights of Mortgagor to modify, change, supplement, alter, amend, terminate, cancel, sever or surrender the Lease;

(C) **TOGETHER WITH** Mortgagor's right, title and interest, if any, in (1) all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land (collectively, the "**Buildings**"), (2) all right, title and interest of Mortgagor, of whatever character (whether as owner, chattel lessee or otherwise, whether vested or contingent and whether now owned or hereafter acquired), in and to all building materials, supplies and other property now or hereafter stored at or delivered to the Land or any other location for installation in or on the Land or any of the Buildings, and all fixtures of every nature whatsoever now or hereafter located in or on, or attached to, and used or intended to be used in connection with the Land, any of the Buildings or any business or other operations now or hereafter conducted in or on the Land or any of the Buildings or in connection with any construction or other work now or hereafter conducted in or on the Land or any of the Buildings, including, but without limiting the generality of the foregoing, all heating, lighting, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus, air cooling and air conditioning apparatus, elevators, escalators, partitions, ducts and compressors (including all right, title and interest of Mortgagor in and to any Service Equipment which may be subject to any title retention or security agreement); it being understood and agreed that all such Service Equipment is and shall continue to be deemed part and parcel of the Premises and appropriated to the use thereof, and whether affixed or annexed to the Premises or not, shall for the purpose of this Mortgage be deemed conclusively to be real estate and mortgaged hereby; and Mortgagor agrees to execute and deliver, from time to time, such further instruments (including any Security Agreements) as may be reasonably requested by Mortgagee to confirm the lien of this Mortgage on any Service Equipment; (all of the property described in this clause (2) being collectively referred to in this Mortgage as the "**Service Equipment**") (the Buildings, Fixtures and the Service Equipment being collectively referred to in this Mortgage as the "**Improvements**"), and (3) any and all plans, specifications, drawings, books, records and similar items now or hereafter relating to the Land or the Improvements, the operation thereof, any rights thereto or any interest therein;

(D) **TOGETHER WITH** all right, title and interest of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to (1) all streets, roads and public places (whether open or proposed) adjoining or otherwise providing access to the Land, (2) the land lying in the bed of such streets, roads and public places, and (3) all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of land adjoining or used or intended to be used in connection with the Land or in connection with all or any part of the property described in paragraphs (A), (B) and (C) hereof;

(E) **TOGETHER WITH**, all right, title and interest of the Mortgagor in and to any and all leases, tenancies or rights of use and occupancy, with amendments, if any, and any extensions, renewals or guarantees of the tenants' obligations thereunder, now or hereafter on or affecting the Mortgaged Property, whether or not recorded, with all security therefor and all monies payable thereunder, and all books and records which reflect payments made under the leases in accordance with, and subject to, the terms and conditions of Section 10 below;

(F) **TOGETHER WITH**, all rents and security deposits to which the Mortgagor may now or hereafter be entitled from the Mortgaged Property (hereinafter the "**Property Income**") in accordance with, and subject to, the terms and conditions of Section 11 below;

(G) **TOGETHER WITH**, any unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Mortgagor and all proceeds, including insurance proceeds, of the conversion, voluntary or involuntary, of the Mortgaged Property, the improvements and/or any other property or rights encumbered or conveyed hereby, or any part thereof, into cash or liquidated claims; and

(H) **TOGETHER WITH** all right, title and interest of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to (1) any and all judgments, settlements, claims, awards, insurance proceeds and other proceeds and compensation, and any interest thereon (collectively referred to in this paragraph as "**compensation**"), now or hereafter made or payable in connection with any casualty or other damage to the Land or to all or any part of the Mortgaged Property, or in connection with any condemnation proceedings affecting any Mortgaged Property or any damage to or taking of any such property or any rights thereto or any interest therein in connection with any exercise of the power of eminent domain (or any conveyance in lieu of or under threat of any such taking), including, without limitation, any and all compensation for change of grade of streets or any other injury to or decrease in the value of any such property, (2) any and all proceeds of any sale, assignment or other disposition of any such property or any rights thereto or any interest therein, (3) any and all proceeds of any other conversion (whether voluntary or involuntary) of any such property or any rights thereto or any interest therein into cash or any liquidated claim, and (4) any and all refunds and rebates of or with respect to any insurance premium, any Imposition (as hereinafter defined) or any other charge for utilities relating to any such property (including, without limitation, any and all refunds and rebates of or with respect to any deposit or prepayment relating to any such Insurance Premium, Imposition or charge), and any interest thereon. All rights of Mortgagor in and to insurance proceeds, all rights of Mortgagor in and to unearned or prepaid Insurance Premiums, Impositions or other charges for utilities, and any deposits with respect thereto and any interest thereon, and all rights of Mortgagor in and to any

and all contracts and bonds relating to operation, maintenance, construction, renovation, restoration, repair, management or security of any such property;

(I) TOGETHER WITH, any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property as a result of (i) any other injury to or decrease in value of the Mortgaged Property, or (ii) any reacquisition by any redevelopment or other municipal agency of any portion of the Mortgaged Property pursuant to any right of reacquisition reserved by such agency in or as a result of any redevelopment plan or agreement, and Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment; and

(J) TOGETHER WITH, any and all further or greater estate, right, title, interest, claim and demand of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to any of the property described in the foregoing paragraphs or any rights or interests appurtenant thereto.

TO HAVE AND TO HOLD the above granted and bargained Mortgaged Property, with the privileges and appurtenances thereof, unto the said Mortgagee, its successors and assigns forever, to its own proper use and behoof. Furthermore, Mortgagor does for itself, and its successors and assigns, covenant with Mortgagee, its successors and assigns, that at and until the ensembling of these presents, it is well seized of the Land as a good indefeasible leasehold estate, and has good right to bargain and sell the same in manner and form as is above written and that the same is free from all encumbrances whatsoever, except as may be set forth and reasonably acceptable to Mortgagee in a Mortgagor policy of title insurance when delivered to Mortgagee with respect to the Mortgaged Property.

And furthermore, the said Mortgagor does by these presents, bind itself, its successors and assigns forever, to **WARRANT AND DEFEND** the above granted and bargained Mortgaged Property to the said Mortgagee, its successors and assigns, against all claims and demands whatsoever, except as set forth in the Mortgagor policy of title insurance delivered on even date herewith to Mortgagee with respect to the Mortgaged Property.

THE CONDITION OF THIS DEED IS SUCH THAT:

WHEREAS, the Mortgagor has applied to Mortgagee for a loan (the "**Loan**") as provided for in Section 49-3 of the Connecticut General Statutes in the maximum amount of up to ONE HUNDRED FORTY-FIVE MILLION AND 00/100 DOLLARS (\$145,000,000.00), which is to be secured by the Mortgaged Property; and

WHEREAS, Mortgagee has agreed to make the Loan, the terms of which provide for Mortgagee to make future advances of principal to Mortgagor from time to time, pursuant to that certain Bioscience Collaboration, Operating and Funding Agreement by and between Mortgagee and Mortgagor of even date (the "**Funding Agreement**"); and

WHEREAS, the said Mortgagor in consideration of the foregoing, has executed and delivered to said Mortgagee a Promissory Note dated of even date herewith in the maximum principal amount of up to ONE HUNDRED FORTY-FIVE MILLION AND 00/100 DOLLARS (\$145,000,000.00) (the "Note"), a copy of which Note is attached hereto as Schedule B; and

WHEREAS, Mortgagee has agreed to make the Loan herein described, the balance of which is to be paid over to Mortgagor in installments in accordance with Schedule 3.1(a) of the Funding Agreement and also upon the conditions set forth in the Funding Agreement, the time and amount of each advancement to be in accordance with said Schedule and provided that the Mortgagor has first complied with all of the terms and conditions of the Funding Agreement, Mortgagee shall pay over such balance of the Loan to complete the full loan of ONE HUNDRED FORTY-FIVE MILLION AND 00/100 DOLLARS (\$145,000,000.00) or such lesser amount as Mortgagor is eligible to receive under the terms of the Funding Agreement; and

WHEREAS, this Mortgage is intended to secure the Loan as well as any renewal or extension thereof, and advances made pursuant to the Loan; and

WHEREAS, Mortgagor represents and warrants that it is not under any disability, and has full power and authority to execute and deliver the Note, this Mortgage and all other mortgage instruments or documents required of it to Mortgagee; and

WHEREAS, Mortgagor in order to more fully preserve the security of this Mortgage, covenants and agrees as follows:

(Capitalized terms not defined herein shall have the definitions provided in the Funding Agreement).

Section 1. Promise to Comply. Mortgagor will perform and abide by all the terms and conditions of the Note, the Funding Agreement and every other instrument now or hereafter securing, evidencing or relating to the Note and the debt evidenced by the Note (collectively referred to herein as the "**Loan Documents**") at the times and in the manner set forth in such Loan Documents, any Material Default or Event of Default, as defined in Section 14 hereinafter, beyond any applicable cure period in such performance being hereby declared to be a default under this Mortgage. All amounts due the Mortgagee under any of the aforesaid instruments shall be secured by the lien of this Mortgage and shall be referred to hereafter as the "**Mortgage Debt**".

Section 2. Property Taxes and Assessments. Mortgagor shall promptly cause to be paid and discharged on or before the last day when they may be paid without interest or penalty, all taxes, assessments, rates, dues, charges, fees, levies, excises, duties, fines, impositions, liabilities, obligations, liens and encumbrances (including, without limitation, payments due in lieu of taxes, water and sewer rents and charges, charges for setting or repairing meters and charges for other utilities or services), general or special, ordinary or extraordinary, foreseen or unforeseen, of every kind whatsoever, now or hereafter imposed, levied or assessed upon or against all or any part of the Mortgaged Property or the use, occupancy or possession thereof, or upon or against this Mortgage, the Loan or the interest of Mortgagee in the Mortgaged Property,

as well as all income taxes, if any, assessments and other governmental charges imposed, levied or assessed upon or against Mortgagor or in respect of all or any part of the Mortgaged Property, and any and all interest, costs and penalties on or with respect to any of the foregoing or which may be or become a lien prior to the lien of this Mortgage or have priority in payment to the indebtedness secured hereby (collectively, the “**Impositions**”); and further shall exhibit to Mortgagee within ten (10) days after demand certificates or receipts issued by the appropriate authority showing full payment of all such impositions.

Section 3. Insurance.

(A) Mortgagor shall procure and maintain for the duration of the Funding Agreement the following types of insurance, in amounts no less than the stated limits:

- (1) Commercial General Liability: \$1,000,000 each occurrence/\$2,000,000 aggregate combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall include Premises and Operation and Contractual Liability.
- (2) Products & Completed Operations: \$1,000,000 each occurrence/\$2,000,000 aggregate combined single limit per occurrence for bodily injury and property damage.
- (3) Workers’ Compensation and Employer’s Liability: Statutory coverage in compliance with compensation laws of The State of Connecticut. Coverage shall include Employer’s Liability with a minimum limit of \$1,000,000 each accident, \$1,000,000 Disease – Policy limit, \$1,000,000 each employee.
- (4) Directors and Officers Liability: \$7,500,000 occurrence limit of liability.
- (5) Comprehensive Crime Insurance: \$10,000,000 limit for each of the following coverages: Employee Dishonesty, Forgery/Alteration and On Premises.
- (6) Builders Risk: (Construction Phase) With respect to any work involving the construction of real property during the construction of the Project, Mortgagor shall maintain Builder’s Risk insurance providing coverage for the entire work at the Project site. Coverage shall be on a Completed Value form basis in an amount equal to the projected value of the project.
- (7) Property Insurance: Mortgagor shall maintain insurance covering all risks of direct physical loss, damage or destruction to real and personal property and improvements and betterment’s (including flood insurance up to an amount readily available if within a duly designated Flood Hazard Area as shown on maps prepared by the Department of Housing and Urban

Development or its successor) at 100% of Replacement Value for such real and personal property, improvements and betterments.

- (8) Umbrella Liability Policy: Mortgagor shall at all times maintain a \$15 million umbrella liability policy. The umbrella liability coverage shall provide excess liability limits for the general liability policies required above.
- (9) Additional Insurance Provisions:
 - (i) Mortgagee, its officials and employees shall be named as an Additional Insured on Commercial the General Liability Policy and Umbrella Policy;
 - (ii) The Commercial General Liability Policy and the Umbrella Policy shall be primary relative to any coverage, if any carried by Mortgagee, and Mortgagor and Mortgagor's insurer shall have no right of subrogation recovery or subrogation against Mortgagee;
 - (iii) Mortgagee shall be named as Loss Payee or Additional Insured, as appropriate;
 - (iv) Mortgagor shall assume any and all deductibles in the described insurance policies;
 - (v) Mortgagor agrees to notify Mortgagee within ten (10) days if it receives any notice of cancellation or non-renewal of a policy of insurance required to be maintained by it hereunder;
 - (vi) Each policy shall be issued by an Insurance Company licensed to do business by Connecticut Department of Insurance and having a Best Rating of A-, VII, or equivalent or as otherwise approved by Mortgagee

(B) Should Mortgagee by reason of such insurance receive any sum or sums of money for damage by fire or the other hazards covered thereby and provided that the Maturity Date, or the Extended Maturity Date, if applicable (as same are defined in the Note), has passed and the Loan has not been forgiven pursuant to Section 5.1 of the Funding Agreement (i) such sum or sums may be retained and applied by Mortgagee, in its discretion, toward payment of the indebtedness secured hereby whether or not same shall be then due or payable, or (ii) may be paid over either in whole or in part to Mortgagor for the repair of said buildings or for the erection of any buildings in their place, or for any other purpose or object satisfactory to Mortgagee, and if Mortgagee retains and applies said insurance money as aforesaid, the lien of this Mortgage shall be affected only by a reduction thereof in an amount equal to the amount of such insurance money so retained and applied as aforesaid. Excess proceeds of insurance after full repayment of the Loan and all other sums due the Mortgagee under the Loan Documents (if

Mortgagee requires application of proceeds against the Loan) or following restoration of the Mortgaged Property (if Mortgagee allows application to restoration) shall be returned to the Mortgagor. All insurance policies shall be in the form and substance, for amounts and in companies "A" rated and reasonably acceptable to Mortgagee, with annual premiums prepaid by Mortgagor, shall contain non-contributory standard mortgagee and lender's loss payable clauses (as Mortgagee may require) effective as of the closing date, providing for any loss payable thereunder to be paid to Mortgagee, shall provide that the policy may not be canceled without thirty (30) days prior written notice to Mortgagee and shall be deposited with Mortgagee throughout the life of the Loan. In addition to the policy of casualty insurance required to be maintained under (a) above, which shall be for the sole benefit of the Mortgagor and which shall name Mortgagee as the Mortgagee and the only other loss payee. The Mortgagor shall, upon demand of the Mortgagee at any time, and from time to time, present evidence that all of the required policies are in full force and effect.

Section 4. Eminent Domain. In the event that the whole or any part of the Mortgaged Property shall be taken by eminent domain, or in the event of any alteration of the grade of any street or highway, or of any other injury to or decrease in value of the Premises, or the reacquisition of the whole or any part of the Mortgaged Property pursuant to the terms of any redevelopment plan or agreement affecting the Mortgaged Property, or if any agreement shall be made between Mortgagor and any entity vested with the power of eminent domain and provided that the Maturity Date, or the Extended Maturity Date, if applicable, has passed and the Loan has not been forgiven pursuant to Section 5.1 of the Funding Agreement, any and all awards and payments on account thereof shall be deposited with Mortgagee. Mortgagor shall give Mortgagee prior notice of any eminent domain proceeding affecting any part of the Mortgaged Property. Mortgagee shall have the right to intervene and participate in any proceedings for and in connection with any such taking, unless such intervention shall be prohibited by the Court having jurisdiction over such taking, in which event Mortgagor shall consult with Mortgagee in connection with such proceedings; and Mortgagor shall not enter into any agreement with regard to the Mortgaged Property or any award or payment on account thereof unless Mortgagee shall have consented thereto in writing.

Mortgagee may, in its sole discretion, retain and apply any eminent domain award or payment toward payment of the Mortgage Debt or pay the same over wholly or in part to Mortgagor. Any proceeds of eminent domain reward remaining after full repayment of the Loan and any other sums due Mortgagee under the Loan Documents (if Mortgagee requires application of proceeds against the Loan) or following restoration of the Mortgaged Property (if Mortgagee allows application to restoration) shall belong to the Mortgagor. Notwithstanding any such taking, alteration of grade, other injury to or decrease in value of the Mortgaged Property, or reacquisition of title, or agreement and the application of such award by Mortgagee, interest shall continue to accrue on the principal sum secured hereby at the rate provided in the Note. Any reduction in the principal sum resulting from the application by Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such application.

Section 5. Maintenance and Repair. Mortgagor shall maintain, or cause to be maintained, the buildings and other improvements on the Mortgaged Property and all Service

Equipment in good condition and repair (ordinary wear and tear, but not obsolescence, excepted) and will neither commit nor suffer to be committed any waste. Mortgagor shall also perform, observe and comply with all the terms, covenants and conditions on its part to be performed and complied with under any redevelopment plan or other agreement governing or restricting the use or enjoyment of the Premises. The Mortgagor shall promptly repair, restore, replace or rebuild any part of the Mortgaged Property which may be damaged or destroyed by any casualty whatsoever or which may be affected by any proceeding of the character referred to in Section 4. The Mortgagor shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Premises. All such work shall be done promptly and in a good and workmanlike manner.

Section 6. Alteration or Demolition. Subject to the terms of the Lease, no building or other improvement now or hereafter located on the Premises shall be materially structurally altered, removed or demolished without Mortgagee's express prior written consent, nor shall any Service Equipment be removed at any time without like consent unless actually replaced by an article of equal suitability and at least equal value owned by Mortgagor, free and clear of any security interest or any reservation of title thereto. Any such changes, additions and alterations shall become part of the Mortgaged Property immediately upon installation. Any replacement of Service Equipment shall constitute Service Equipment and be subject to the lien of this Mortgage.

Section 7. Compliance with Law; Environmental Matters.

(a) Mortgagor shall promptly comply or cause compliance in all material respects, with all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting Mortgagor, the Mortgaged Property, or the use thereof, including, without limitation, Prescribed Laws (collectively, "**Applicable Laws**"). The term "**Prescribed Laws**" shall mean, collectively, (a) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (The USA PATRIOT Act), (b) Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, (c) the International Emergency Economic Power Act, 50 U.S.C. §1701 et. seq. and (d) all other legal requirements relating to money laundering or terrorism.

(b) Mortgagor shall from time to time, upon Mortgagee's request, provide Mortgagee with evidence reasonably satisfactory to Mortgagee that each of Mortgagor and the Mortgaged Property complies with all Applicable Laws or is exempt from compliance with Applicable Laws.

(c) Mortgagor shall give prompt notice to Mortgagee of the receipt by Mortgagor of any notice related to a violation of any Applicable Laws and of the commencement of any proceedings or investigations which relate to compliance with Applicable Laws.

(d) After prior written notice to Mortgagee, Mortgagor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the Applicable Laws affecting the Mortgaged Property, provided that (i) no Event

of Default has occurred and is continuing under the Note, this Mortgage or any of the Loan Documents; (ii) Mortgagor is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Mortgaged Property; (iii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder; (iv) neither the Mortgaged Property, any part thereof or interest therein, any of the tenants or occupants thereof, nor Mortgagor shall be affected in any material adverse way as a result of such proceeding; (v) non-compliance with the Applicable Laws shall not impose civil or criminal liability on Mortgagor or Mortgagee; and (vi) Mortgagor shall have furnished to Mortgagee all other items reasonably requested by Mortgagee. In addition to any other notices required under this Mortgage, the Mortgagor shall promptly notify the Mortgagee of the (1) receipt of notice from any governmental authority relating to the Mortgaged Property other than routine mailings; (2) receipt of any notice from the holder of any other lien or security interest in the Mortgaged Property other than routine mailings; or (3) commencement of any judicial or administrative proceedings by or against or otherwise affecting the Mortgagor or the Mortgaged Property.

Section 8. Right to Enter Premises. In the case of any Material Default in the performance of or compliance with the terms, covenants and conditions set forth in the Note or this Mortgage beyond applicable cure periods, Mortgagee shall have the right forthwith and without notice to enter into and upon the Premises, take possession thereof, and collect the rents, issues and profits therefrom, with or without the appointment of a receiver, and to apply the same, after payment of reasonable collection, management and attorneys' fees, in reduction of the Mortgage Debt in such manner or proportion as Mortgagee may elect.

Section 9. Sale, Encumbrance and Use.

(a) The Mortgagor shall not, without the Mortgagee's prior written consent which may be withheld in the Mortgagee's sole discretion for any reason whatsoever, (i) initiate or allow any transfer, lease, mortgage or other disposition of, or contract to dispose of, legal or equitable title to all or any part of the Mortgaged Property; (ii) change the ownership of, commence an action to dissolve or otherwise effect the dissolution of the Mortgagor in violation of the terms and conditions of the Funding Agreement; (iii) voluntarily create any liens or encumbrances against such title; (iv) initiate or allow any change in the nature of the use and occupancy of the Mortgaged Property; or (v) otherwise violate the terms of Article XVI of the Lease.

(b) The Mortgagor will keep the Mortgaged Property free from the claim of all persons supplying labor or materials in connection with the construction or repair of any Improvements constituting a part of the Mortgaged Property.

(c) The Mortgagor shall promptly notify the Mortgagee if any lien, attachment or encumbrance is recorded against the Mortgaged Property without the Mortgagor's consent and will cause the lien to be cancelled and discharged of record or otherwise secured to Mortgagee's reasonable satisfaction within thirty (30) days after its recording.

Section 10. Lease. The Mortgagor will not, without the prior written consent of the Mortgagee: (a) cancel or terminate the Lease, or consent to any cancellation, termination or surrender thereof, or any assignment thereof except as permitted by the terms of the Lease; (b) amend, modify or subordinate the Lease; (c) take any other action in connection with the Lease which may impair or jeopardize the validity of the Lease or the Mortgagee's interest therein. The Mortgagee shall have the right to review and reasonably refuse written consent to any of the above proposed actions of the Mortgagor based upon the substance of the proposed transaction, the creditworthiness of the Mortgagor, the financial condition of the Mortgaged Property or otherwise.

Section 11. Property Income. The Mortgagor hereby assigns, transfers and grants a security interest to the Mortgagee in and to the Property Income to secure the Mortgage Debt. The Mortgagor will not otherwise assign, transfer or encumber the Property Income in any manner. The Mortgagor may collect and use the Property Income, as the same becomes due and payable, so long as no Material Default (as defined hereinafter) has occurred. This Section shall constitute an absolute and present assignment of the Property Income. The existence or exercise of the Mortgagor's conditional permission to collect the Property Income shall not operate to subordinate this assignment to any subsequent assignment.

Section 12. Appointment of Receiver. Mortgagee shall have the right immediately after any Material Default, upon proceedings being commenced for the foreclosure of this Mortgage, to apply for the appointment of a receiver of the rents and profits of the said Mortgaged Property without notice, and Mortgagee shall be entitled to the appointment of such receiver as a matter of right, without consideration of the value of the Mortgaged Property as security for the amounts due Mortgagee, or the solvency of any person or persons liable for the payment of such amounts.

Section 13. Security Agreement.

(a) This Mortgage is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subject to a security interest under the Uniform Commercial Code, whether acquired now or in the future, and all products and cash and non-cash proceeds thereof (collectively, "**UCC Collateral**"). Mortgagor (as Debtor) hereby grants to Mortgagee (as Creditor and Secured Party) a security interest in the UCC Collateral. This Mortgage is a self-operative security agreement and fixture filing for the purpose of creating and perfecting a security interest in all of the UCC Collateral. Mortgagor hereby agrees that the Mortgagee is authorized, without the need of signature or further authorization by the Mortgagor, to file financing statements naming the Mortgagor as debtor from time to time and in such form as the Mortgagee may require to perfect and maintain a security interest with respect to the UCC Collateral. Mortgagor shall pay all filing costs and all costs and expenses of any record searches for financing statements that Mortgagee may require. Without the prior written consent of Mortgagee, Mortgagor shall not create or permit to exist any other lien or security interest in any of the UCC Collateral other than liens permitted by the Funding Agreement. If a Material Default has occurred and is continuing beyond any applicable cure period, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Mortgage or existing under

applicable law. In exercising any remedies, Mortgagee may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Mortgagee's other remedies. This Mortgage constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a fixture.

(b) It is hereby expressly declared and agreed that, to the extent permitted by law, all items of Service Equipment, all accessions, renewals, substitutions and replacements thereof and thereto and all other items included in the Mortgaged Property are, and at all times and for all purposes shall be deemed to be, part and parcel of the real property encumbered by this Mortgage and appropriated to the use of such real property, whether or not any such item is affixed or annexed to such real property and whether or not any such item is or shall be identified by serial number or otherwise referred to or reflected in any recital or list contained in this Mortgage or in any financing statement filed or recorded in connection herewith. Neither anything set forth in this Section nor the filing or recording of any such financing statement in the records for personal property security interests shall be construed as in any way derogating from or otherwise impairing the effectiveness of the aforesaid declaration. The mention in any such financing statement of any particular item included in the Mortgaged Property shall not be construed as in any way altering the rights of Mortgagee with respect thereto pursuant to this Mortgage or the priority of the lien of this Mortgage with respect thereto. Any and all such financing statements are intended to be for the protection of Mortgagee in the event that any court shall determine that the priority of the lien of this Mortgage with respect to any part of the Mortgaged Property requires the recording or filing of notice in the records for personal property security interests.

Section 14. Events of Default. The term "Material Default" shall mean a Jax Event of Default as defined in the Funding Agreement which is a Material Default (as defined in the Funding Agreement) and which has been invoked by CI pursuant to Section 14.2 of the Funding Agreement. In addition thereto, the following shall constitute an Event of Default hereunder and under the Note:

(a) The failure to pay the premiums on or keep in force any insurance required under Section 3;

(b) The failure to pay any Impositions within the applicable time periods set forth under Section 2;

(c) The transfer, encumbrance or change in use of, or other action or non-action with respect to, the Mortgaged Property or the composition of the Mortgagor in contravention of the provisions of Section 9 hereof or the Mortgagor's failure to have any lien, attachment or encumbrance which is enforced or levied against the Mortgaged Property without the Mortgagee's consent (other than the lien for ad valorem taxes not yet due) discharged, released and/or satisfied within the time provided for in Section 9;

(d) Except as permitted under a Lease, the waste, removal or demolition of, or material alteration to, any part of the Property without the Mortgagee's prior written consent not to be unreasonably withheld or delayed;

(e) The failure to observe or perform any other covenants of the Mortgagor contained in this Mortgage for a period of thirty (30) days after notice of the occurrence of such failure, or if such failure cannot with the exercise of reasonable diligence be cured within such 30 day period, the failure of Mortgagor to commence a cure within such 30 day period and thereafter diligently prosecute the same to completion;

(f) The material impairment of the value of any part of the Mortgaged Property by condemnation or casualty that is not compensated by insurance or condemnation proceeds;

(g) The occurrence of a default beyond any applicable cure period under, or demand for the payment of any other note or obligation of the Mortgagor to the Mortgagee;

Section 15. Remedies. Whenever a Material Default shall have occurred and be continuing beyond the expiration of any applicable cure period, the Mortgagee's sole remedy hereunder is to foreclose this Mortgage and exercise its rights as a secured party for all or any portion of the Mortgage Debt, it being agreed and understood that the lien of this Mortgage is on a non-recourse basis and there shall be no liability to the Mortgagor other than Mortgagee's right of foreclosure; provided, however, that the Mortgagee shall maintain the right to take any and all action to collect the Costs as defined in the Note and the Mortgage Advances described in Section 17 hereof. Whenever an Event of Default shall have occurred and be continuing beyond the expiration of any applicable cure period, the Mortgagee shall have the rights and remedies provided under Section 14.3 of the Funding Agreement and the Mortgagee shall maintain the right to take any and all action to collect the Costs as defined in the Note and the Mortgage Advances described in Section 17 hereof.

During the pendency of any foreclosure action, the Mortgagee shall have the right to possession of property and the appointment of a Receiver as follows:

(i) The Mortgagee may, at its option (1) enter upon and take possession and control of the Mortgaged Property; and (2) make application to a court of competent jurisdiction for and obtain the immediate ex parte appointment of a receiver authorized to immediately enter upon and take possession and control of the Mortgaged Property.

(ii) The Mortgagor hereby waives to the fullest extent permitted by law all rights to prior notice or court hearing in connection with any action by the Mortgagee of the types set forth in subsection (i) above, and the Mortgagor further waives any requirement that Mortgagee provide any bond, surety, or other security in connection with any said action.

(iii) In the event the Mortgagee or a receiver enters upon and takes possession and control of the Mortgaged Property pursuant to subsection (i) above, said person or entity shall, in addition to such other rights and powers as may subsequently be authorized, have the right and power to (1) operate, manage and control the Mortgaged Property and exercise all the rights and powers of the Mortgagor in its name or otherwise with respect to the same; (2) make all necessary and proper maintenance repairs,

replacements, and improvements to the Mortgaged Property; and (3) enforce all terms of existing contracts pertaining to the Mortgaged Property and enter into such new contracts as the Mortgagee or the receiver may determine necessary in its sole discretion.

(iv) All costs, expenses and liabilities of every character by the Mortgagee in managing, operating and maintaining the Mortgaged Property, shall constitute Mortgagee Advances pursuant to Section 17.

(v) In the event of foreclosure, the Mortgagee, its agents or any receiver acting pursuant to subsection (a) above may remain in possession of the Mortgaged Property until (i) the foreclosure sale; (ii) the redemption of the Mortgaged Property; or (iii) if a deficiency exists, the expiration of any redemption period of the United States of America extending subsequent to the foreclosure sale. The Mortgagee, its agents or the receiver shall incur no liability for, nor shall the Mortgagor assert any claim or setoff as a result of, any action taken while the Mortgagee, its agent or a receiver is in possession of the Mortgaged Property.

Section 16. Right to Inspect. Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the Mortgaged Property at all reasonable times upon reasonable prior notice.

Section 17. Mortgagee Advances.

(a) The Mortgagor shall pay, indemnify, defend and hold the Mortgagee harmless from all reasonable costs, disbursements, expenses and reasonable counsel fees incurred by the Mortgagee in connection with protecting or sustaining the lien of this Mortgage or collection of the Mortgage Debt, either before or after obtaining judgment of foreclosure of the Mortgage or judgment on or with respect to the Mortgage Debt. All such costs and expenses incurred by Mortgagee pursuant to the terms of this Mortgage shall be paid by Mortgagor and shall be secured by this Mortgage. If a Material Default occurs, and if an action is commenced for a foreclosure of this Mortgage, the holder hereof shall be entitled to recover all sums due under this Section 17.

(b) The Mortgagee may, without notice or demand, pay any amount which the Mortgagor has failed to pay, or perform any act which the Mortgagor has failed to perform hereunder after the expiration of any grace or cure period with respect thereto. In such event any amounts so advanced by Mortgagee ("**Mortgagee Advances**"), together with interest thereon from the date made, at the highest interest rate allowed under the Note shall be (i) added to the Mortgage Debt, (ii) payable on demand to the Mortgagee, and (iii) secured by the lien of this Mortgage.

Section 18. No Marshalling. The Mortgagee shall not be (i) compelled to release, or be prevented from foreclosing or enforcing this Mortgage upon all or any part of the Mortgaged Property, unless the Loan has been forgiven pursuant to the Funding Agreement; (ii) required to accept any part or parts of the Mortgaged Property, as distinguished from the entire whole thereof, as payment of or upon the Mortgage Debt to the extent of the value of such part or parts;

(iii) compelled to accept or allow any apportionment of the Mortgage Debt to or among any separate parts of the Mortgaged Property; or (iv) prevented from selling the Mortgaged Property in one or more parcels or as an entirety and in such manner and order as the Mortgagee in its sole discretion may elect.

Section 19. Remedies Cumulative; Mortgagee's Discretion. No remedy conferred upon or reserved to the Mortgagee hereunder is or shall be deemed to be exclusive but shall be cumulative, and may be exercised in the sole discretion of the Mortgagee at any time, in any manner, and in any order, and shall be in addition to and separate and distinct from every other remedy given the Mortgagee under this Mortgage, the Note, or any other Loan Documents, or now or hereafter existing in favor of the Mortgagee at law or in equity or by statute. The Mortgagee, in exercising any remedy provided herein under which it may make payments or perform actions which the Mortgagor has failed to do or make, may do so in its sole discretion whenever in its opinion such payment or performance is necessary or desirable to protect the full security intended by this Mortgage.

Section 20. No Waiver. Time and punctuality shall be of the essence in this Mortgage, but any delay or failure by the Mortgagee to exercise any right or remedy available to it upon the occurrence of a Material Default or Event of Default hereunder shall not constitute a waiver of such Material Default or Event of Default or relinquishment of the right in the future to enforce strict compliance by the Mortgagor with all of the covenants, conditions and agreements herein, or of the right to exercise any such rights or remedies if such Material Default or Event of Default by the Mortgagor be continued or repeated. No modification, amendment, change or discharge of any term or provision of this Mortgage shall be valid or binding unless the same is in writing and signed by the Mortgagee and the Mortgagor. The Mortgagee may, however, without notice to or the consent of the Mortgagor, any other person primarily or contingently liable for the payment of the Mortgage Debt or the holders of any subordinate lien on the Mortgaged Property, (i) release any part of the security described herein, (ii) release the obligation of any person primarily or contingently liable for the Mortgage Debt secured hereby; (iii) extend the time for payment or otherwise modify the terms of the Mortgage Debt or this Mortgage, and (iv) take any additional security for the Mortgage Debt. No such release, extension, modification or additional security shall impair or affect the lien of this Mortgage or its priority over any subordinate lien and no such party shall be relieved of any liability by reason thereof.

Section 21. No Merger. In the event the Mortgagee shall acquire title to the Mortgaged Property by conveyance from the Mortgagor or as a result of the foreclosure of any other mortgage which the Mortgagee at any time holds with respect to the Mortgaged Property, this Mortgage shall not merge in the leasehold estate in the Mortgaged Property but shall remain and continue as an existing and enforceable lien for the Mortgage Debt secured hereby until the same shall be released of record by the Mortgagee in writing.

Section 22. Future Advances. This is an "Open-End Mortgage" and the holder hereof shall have all of the rights, powers and protection to which the holder of any Open-End Mortgage is entitled under Connecticut law. Upon request the Mortgagee may, in its discretion, make future advances to the Mortgagor. Any future advance, and the interest payable thereon,

shall be secured by this Mortgage when evidenced by a promissory note stating that the note is secured hereby. At no time shall the principal amount of the debt secured by this Mortgage exceed the original principal amount of the Note, plus the accrued interest added to the principal under the terms of the Note, nor shall the maturity of any future advance secured hereby extend beyond the date the final principal amount is due on the Note.

Section 23. Governing Law; Binding Effect. This Mortgage shall be governed by and construed, interpreted, regulated and enforced in accordance with the applicable laws of the State of Connecticut. All covenants, conditions and agreements herein shall run with the land, and shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Mortgagee and the Mortgagor.

Section 24. Notice.

(a) Any notice, report, demand or other written instrument required to be given or otherwise permitted to be given, made or sent under this Mortgage, shall be in writing, signed by the party giving or making the same, and shall be sent in accordance with the notice provisions of the Funding Agreement.

(b) The date of receipt of any notice shall be deemed to be, and shall be effective from, the earlier of (i) the date of the actual receipt of such notice, or (ii) three days after same is deposited in the United States mail as provided above, whether or not the same is actually received by such party. Any party hereto shall have the right to change the place to which any such notice shall be sent by a similar notice sent in like manner to all parties hereto.

Section 25. No Agency or Joint Venture. Nothing contained in this Mortgage shall be construed to cause the Mortgagor to become the agent for, or joint venturer with, the Mortgagee for any purpose whatsoever, nor shall the Mortgagee be responsible for any shortage, discrepancy, damage, loss or destruction of any part of the Mortgaged Property for whatever cause unless same is the direct result of the gross negligence of the Mortgagee.

Section 26. Invalid Provisions. If any term or provision herein is judicially determined invalid or unenforceable, then the same shall either be severed from this Mortgage or if possible reduced in scope to the extent necessary to be valid or enforceable.

Section 27. Interpretation. In this Mortgage, unless the context otherwise requires:

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any headings or captions preceding the texts of the several sections of this Mortgage shall be solely for convenience of reference and shall not constitute a part of this Mortgage, nor shall they affect its meaning, construction or effect.

Section 28. Prejudgment Remedy Waiver. The Mortgagor represents, warrants and acknowledges that the transaction of which this Mortgage is a part is a "commercial transaction" as defined by the Statutes of the State of Connecticut. Monies now or in the future to be advanced to or on behalf of Mortgagor are not and will not be used for personal, family or household purposes. THE MORTGAGOR HEREBY WAIVES ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER UNDER CONNECTICUT GENERAL STATUTES SECTIONS 52-278a ET SEQ. AS AMENDED OR UNDER ANY OTHER STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES, THE MORTGAGEE MAY EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES HEREUNDER. THE MORTGAGOR FURTHER CONSENTS TO THE ISSUANCE OF ANY PREJUDGMENT REMEDIES WITHOUT A BOND AND AGREES NOT TO REQUEST OR FILE MOTIONS SEEKING TO REQUIRE THE POSTING OF A BOND UNDER PUBLIC ACT 93-431 IN CONNECTION WITH THE MORTGAGEE'S EXERCISE OF ANY PREJUDGMENT REMEDY.

Section 29. Jury Trial Waiver. MORTGAGOR AND MORTGAGEE AGREE THAT ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY MORTGAGEE OR MORTGAGOR ON OR WITH RESPECT TO THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. MORTGAGEE AND MORTGAGOR EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY, AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, MORTGAGOR WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. MORTGAGOR ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS MORTGAGE AND THAT MORTGAGEE WOULD NOT EXTEND CREDIT TO MORTGAGOR (AS APPLICABLE) IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS MORTGAGE.

Section 30. Use of Loan Proceeds. The Loan proceeds are for the sole benefit of the Mortgagor, exclusively, and to the benefit of no one else.

Section 31. Power of Attorney. The Mortgagor hereby irrevocably appoints, grants and constitutes the Mortgagee its attorney-in-fact, coupled with an interest, to so execute, deliver and submit all applications, requests, forms or reports of any kind for all applicable, desirable or necessary licenses, permits, approvals, authorizations, tax credits or abatements or benefits, of any kind relating, applicable to or affecting the use and enjoyment of, or construction on, or the business operations conducted at or from the Premises; provided, the foregoing power of attorney shall be exercisable by the Mortgagee only after the occurrence of an Event of Default. Any party dealing with the Mortgagee shall not be required to investigate the right of the Mortgagee to exercise its authority or to take any action under or pursuant to this power of attorney nor inquire as to whether or not any Event of Default exists or has occurred.

Section 32. Filing/Recording of Mortgage. Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage, and any security instrument creating a lien or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance to be filed, registered or recorded in such manner with the Town Clerk of Farmington, Connecticut, and in such other places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, and the interest of Mortgagee in the Mortgaged Property. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property and any instrument of further assurance, and all Federal, state, and county and municipal taxes, duties, impost, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereof, any security instrument with respect to the Mortgaged Property or any instrument of further assurance. Mortgagor shall hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage.

Section 33. Lease Provisions. This Mortgage is intended to cover and affect, among other property, the Leasehold Estate, as the same may be amended, supplemented, restated or replaced from time to time. The following terms and provisions shall apply with regard to such leasehold estates, options, rights to amend or modify and interests and the Lease in addition to the other terms and provisions hereof:

(a) Mortgagor shall at all times promptly and faithfully keep, observe and perform, or cause to be kept, observed and performed, all of the obligations, covenants, conditions and agreements contained in the Lease by Mortgagor to be kept, observed and performed thereunder, and shall in all respects conform to and comply with the terms and conditions of the Lease, and Mortgagor shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, would impair or tend to impair the rights of Mortgagor under the Lease or the security of the Mortgage, or UCHC, as fee owner, to terminate the Lease or declare a forfeiture of the estate created thereby, in whole or in part.

(b) Mortgagor shall not change, supplement, alter or amend the Lease in any respect, either orally or in writing, and Mortgagor shall not terminate, cancel, sever or surrender, or permit or suffer the termination, cancellation, severance or surrender of, the Lease or the estate created thereby. Any attempt on the part of Mortgagor to exercise any such right without the prior written consent of Mortgagee shall be void and of no force and effect.

(c) No release or forbearance of any of Mortgagor's obligations under the Lease, pursuant to the Lease or otherwise, shall release Mortgagor of its obligations under this Mortgage, the Funding Agreement or any of the other Loan Documents.

(d) Mortgagee, at its option but without any obligation, may take any action from time to time deemed necessary or desirable by Mortgagee to prevent or cure, in

whole or in part, any default by Mortgagor under the Lease. Mortgagee may rely in good faith on any notice of any such default which may be received by Mortgagee.

(e) The lien of this Mortgage shall attach to any and all Mortgagor's rights and remedies arising hereafter under or pursuant to Subsection 365(h) of the Bankruptcy Code, including all of Mortgagor's rights to remain in possession of the Leasehold Estate or any other Mortgaged Property.

(f) Mortgagor shall not, without Mortgagee's prior written consent, exercise any right to terminate, cancel, sever or surrender the Lease or the estate created thereby under any applicable federal or state law relating to bankruptcy, insolvency, reorganization or other relief for debtors, whether now in effect or hereafter enacted. Without limiting the generality of the foregoing, Mortgagor shall not, without Mortgagee's prior written consent, elect to treat the Lease or the estate created thereby as terminated under Section 365 of the Bankruptcy Code, after rejection or disaffirmance of the Lease by UCHC as fee owner (whether as debtor in possession or otherwise) or by any trustee of UCHC, and any such election made without such consent shall be void and ineffective. The immediately preceding provisions of this paragraph shall not limit the generality of sub-paragraph (b) above or the assignment of rights therein set forth.

(g) Mortgagor hereby unconditionally assigns, transfers and sets over unto Mortgagee all of Mortgagor's claims and rights to the payment of damages that may hereafter arise as a result of any rejection or disaffirmance of the Lease by UCHC (whether as debtor in possession or otherwise) or by any trustee of UCHC pursuant to the Bankruptcy Code. Mortgagee shall have and is hereby granted the right to proceed, in its own name or in the name of Mortgagor, in respect of any claim, suit, action or proceeding relating to the rejection or disaffirmance of the Lease (including, without limitation, the right to file and prosecute, to the exclusion of Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents) in any case in respect of UCHC under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until the indebtedness evidenced by the Note and secured by the Mortgage shall have been satisfied and discharged in full. Any amounts received by Mortgagee as damages arising out of any such rejection or disaffirmance of the Lease shall be applied first to all costs and expenses of Mortgagee (including, without limitation, attorneys' fees) in connection with the exercise of its rights under this paragraph and then, in such manner as Mortgagee shall determine, to the reduction of the indebtedness evidenced by the Note, whether or not then due, and the balance, if any, shall then be paid to Mortgagor.

(h) In the event that, pursuant to Section 365 of the Bankruptcy Code, Mortgagor seeks to offset against the rent payable under the Lease the amount of any damages caused by the nonperformance by UCHC of its obligations under the Lease after rejection or disaffirmance thereof under the Bankruptcy Code, Mortgagor shall, prior to effecting such offset, notify Mortgagee of Mortgagor's intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. Mortgagee shall have the right to object to all or any part of such offset, and, in the event of such objection, Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee. If Mortgagee shall have failed to object as aforesaid within twenty

(20) days after such notice, Mortgagor may proceed to effect such offset in the amounts set forth in such notice. Neither Mortgagee's failure to object as aforesaid nor any objection or other communication between Mortgagor and Mortgagee relating to such offset (other than an approval by Mortgagee) shall constitute an approval by Mortgagee of any such offset. Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, attorneys' fees) arising from or relating to any such offset by Mortgagor.

(i) In the event that any action, proceeding, motion or notice shall be commenced or filed in respect of UCHC, or in respect of all or any part of the Mortgaged Property in connection with any case under the Bankruptcy Code, Mortgagee shall have, and is hereby granted, the option, to the exclusion of Mortgagor exercisable upon notice from Mortgagee to Mortgagor, to conduct and control any such litigation with counsel of Mortgagee's choice. Mortgagee may proceed, in its own name or in the name of Mortgagor, in connection with any such litigation, and Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by Mortgagee in connection therewith. Upon request by Mortgagee, Mortgagor shall pay to Mortgagee, or to any other person or persons that Mortgagee may designate, all reasonable costs, expenses and liabilities (including, without limitation, attorneys' fees) paid or incurred by Mortgagee in connection with the prosecution or conduct of any such proceedings, together with interest thereon from the date paid or incurred by Mortgagee until the date so paid to, or as directed by, Mortgagee. Mortgagor shall not, without the prior written consent of Mortgagee, commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Lease in any such case under the Bankruptcy Code.

(j) Mortgagor hereby assigns, transfers and sets over to Mortgagee a nonexclusive right to apply to the Bankruptcy Court under Section 365 of the Bankruptcy Code for an order extending the period during which the Lease may be rejected, disaffirmed or assumed after the entry of any order for relief in respect of Mortgagor under Chapter 7 of the Bankruptcy Code.

(k) The Lease is the valid and legally binding obligations of the parties thereto, enforceable in accordance with its terms.

(l) A true, correct and complete copy of the Lease has heretofore been delivered to Mortgagee.

(m) No default or event of default on the part of Mortgagor or on the part of any other party to the Lease has occurred which is continuing.

(n) The term "**Land**" as used herein shall include Mortgagor's estates, rights, titles and interests in and to the property covered by the leasehold estate created under and pursuant to the Lease.

NOW, THEREFORE, if Mortgagor and/or the successors and assigns of Mortgagor shall well and truly perform all of the obligations of the Mortgagor under the Note and Funding Agreement and shall otherwise satisfy all obligations to Mortgagee under the Note and Funding Agreement, or if the obligations under the Note shall have been forgiven pursuant to the terms of the Funding Agreement, then this deed shall be void with immediate effect, but otherwise shall be and remain in full force and effect.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK. THE FOLLOWING PAGE IS THE SIGNATURE PAGE.]

LEGAL DESCRIPTION

299 Farmington Avenue

All that certain piece or parcel of land situated in the Town of Farmington of the County of Hartford, State of Connecticut, being Parcel B-2 on a map entitled "Plan of Sub-Division Land Owned By William Francis O'Meara, et al. Farmington Avenue Farmington, Connecticut Scale 1"=100' – June 1977 Certified Substantially Correct Edward F Reubin, Surveyor Hodge Surveying Associates P.C." and recorded as map C52-3292 of the Farmington Land Records and being the Phase 2 Premises on a map entitled "Proposed Lease Areas Map Within Land of the State of Connecticut To Be Granted To The Jackson Laboratory, Farmington Avenue – Connecticut Route 4, Farmington, Connecticut, Scale: 1"=50' – Date: December 28, 2011, Stein Survey" and being more particularly bounded and described as follows:

Beginning at a point being a south west corner of the Phase 2 Premises and being a southeast corner of land now or formerly of the Town of Farmington and being distant 70 feet southeast from the southeast highway line of Farmington Avenue;

Thence running along said Town of Farmington land, North 31°15'18" East, a distance of 518.78 feet to land now or formerly of the State of Connecticut and being Parcel A-2 on the hereinbefore referenced map to a point;

Thence turning and running along said State land South 11°01'52" East, a distance of 304.47 feet to a point;

Thence turning and running along said State land North 78°58'08" East, a distance of 328.58 feet to the southeast corner of said parcel A-2 and land now or formerly of the State of Connecticut to a point;

Thence turning and running along said State land South 11°01'52" East, a distance of 1030.57 feet to the south corner of said State land and land formerly of Martin J. O'Meara, et al. to a point;

Thence turning and running along said O'Meara land North 63°14'59" West, a distance of 687.70 feet to a point;

Thence turning and running along said O'Meara land North 30°02'53" East, a distance of 256.32 feet to a point; and

Thence turning and running along said O'Meara land North 52°58'15" West, a distance of 452.65 feet to the point and place of beginning.

The herein-described Phase 2 Premises contains 10.87 acres, more or less.

Together with an easement for landscaping and pavement adjustment from Farms Associates to Farm Hollow Corporate Center, Limited Partnership dated November 17, 1986 and recorded in Volume 343, Page 379 of the Farmington Land Records.

Together with rights and privileges of access and related uses as set forth in a certain Quitclaim Deed from Farm Hollow Corporate Center, Limited Partnership to the Town of Farmington dated

September 8, 1989 and recorded on February 15, 1990 in Volume 407 at Page 223 of the Farmington Land Records (the "Access Easement").

Together with terms and conditions of a certain Ground Lease Agreement (the "Ground Lease") by and between STATE OF CONNECTICUT, ACTING BY AND THROUGH THE UNIVERSITY OF CONNECTICUT as Landlord, and THE JACKSON LABORATORY as Tenant, Notice (the "Notice of Lease") of which is dated as of January 5, 2012 and recorded in the Farmington Land Records.

The Phase 2 Premises being substantially one and the same as the PHASE 2 PREMISES on a preliminary map entitled "PROPOSED LEASE AREAS MAP WITHIN LAND OF THE STATE OF CONNECTICUT TO BE GRANTED TO THE JACKSON LABORATORY FARMINGTON AVENUE – CONNECTICUT ROUTE 4 FARMINGTON, CONNECTICUT" Scale 1"=50' Date: December 28, 2011, by Stein Survey, a copy of which will be recorded as an exhibit to the Notice of Lease in the Farmington Land Records.

Portion of 263 Farmington Avenue

All that certain piece or parcel of land situated in the Town of Farmington of the County of Hartford, State of Connecticut, being a portion of land on a map entitled "Land to be Acquired from William F. O'Meara William F. O'Meara et al. & Mar-Will Corp. by the State of Connecticut in Farmington, Connecticut," Scale 1"=100' August 25, 1962 F P Molloy & Associates Consulting Engineers and recorded as map C36-2225 of the Farmington Land Records and being a portion of other land of the State of Connecticut and being Phase 1 Premises on a map entitled "Proposed Lease Areas Map Within Land of the State of Connecticut To Be Granted To The Jackson Laboratory, Farmington Avenue – Connecticut Route 4, Farmington, Connecticut, Scale: 1"=50' – Date: December 28, 2011, Stein Survey" and being more particularly bounded and described as follows:

Beginning at a point being the most south corner of the Phase 1 Premises and being the southeast corner of the hereinbefore-described Phase 2 Premises and being a northeast corner of land formerly of Martin J. O'Meara, et al. and being along a west line of other land of the State of Connecticut;

Thence running northerly along said Phase 2 Premises land, a distance of 876 feet, more or less to the centerline of a drive known as "Dowling Way";

Thence turning and running easterly along said centerline, a distance of 181 feet, more or less to a point being the intersection of said centerline and a line being 5 feet west from and parallel to the back of a sidewalk along a drive known as "Main Road";

Thence turning and running along said line being 5 feet west from and parallel to the back of a sidewalk along drives known as "Main Road", a connector drive, and "West Road" and extensions thereof, a distance of 823 feet, more or less to a point;

Thence turning and running easterly, a distance of 157 feet, more or less to a point;

Thence turning and running southerly, a distance of 203 feet, more or less to the point and place of beginning.

The herein described Phase 1 Premises contains 5.3 acres, more or less.

Together with terms and conditions of the Ground Lease.

The Phase 1 Premises being substantially one and the same as the PHASE 1 PREMISES on a preliminary map entitled "PROPOSED LEASE AREAS MAP WITHIN LAND OF THE STATE OF CONNECTICUT TO BE GRANTED TO THE JACKSON LABORATORY FARMINGTON AVENUE – CONNECTICUT ROUTE 4 FARMINGTON, CONNECTICUT" Scale 1"=50' Date: December 28, 2011, by Stein Survey, a copy of which will be recorded as an exhibit to the Notice of Lease in the Farmington Land Records.

The above-described premises are subject to the following:

AS TO BOTH PARCELS:

1. Real Estate Taxes to the Town of Farmington on the Grand List of October 1, 2010, and thereafter, as the same may become due and payable.
2. Sewer Use Charges due the Town of Farmington.
3. Water Charges as may be due the Metropolitan District Commission
4. Riparian or littoral rights of others in and to any body of water abutting or crossing through the premises.
5. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
6. Upgrade and Expansion of the Farmington Water Pollution Control Plant – billed to UCONN Health Center – Yearly payments of \$72,114.60 next bill due July 2012. 2011 payment is made.

7. Terms and conditions of a certain Ground Lease Agreement by and between STATE OF CONNECTICUT, ACTING BY AND THROUGH THE UNIVERSITY OF CONNECTICUT as Landlord, and THE JACKSON LABORATORY as Tenant, Notice of which is dated as of January 5, 2012 and recorded in the Farmington Land Records.

AS TO 299 FARMINGTON AVENUE (THE PHASE 2 PREMISES) ONLY:

8. Caveat by The Water Bureau of the Metropolitan District against William Francis O'Meara, et al dated June 27, 1967 and recorded in Volume 184, Page 450 of the Farmington Land Records.
9. Drainage Covenant between William F. O'Meara, Bernard M. O'Meara and Marguerite O'Meara Egan and Bernard M. O'Meara, Marguerite F. Storrs, William Foster O'Meara, Marguerite Egan, Martin J. O'Meara, Jr. , Patricia Ann Jevons, Elizabeth Ann Mahoney and Estate of Mary Ellen Padgett dated June 10, 1981 and recorded in Volume 281, Page 849 of the Farmington Land Records.
10. Sewer Easement from William F. O'Meara, Bernard M. O'Meara, John F. O'Meara and Marguerite O'Meara Egan to the Town of Farmington dated June 10, 1981 and recorded in Volume 281, Page 853 of the Farmington Land Records.
11. Sixty-five foot building line and rights of ingress and egress, if any, in favor of Farms Associates as reference in a Warranty Deed from Frank P. Carabillo to Farm Hollow Corporate Center, Limited Partnership dated December 27, 1985 and recorded in Volume 324, Page 655 of the Farmington Land Records.
12. Possible rights of ingress and egress in favor of Farms Associates as referenced in a Warranty from Frank P. Carabillo to Farm Hollow Corporate Center, Limited Partnership dated December 27, 1985 and recorded in Volume 324, Page 655 of the Farmington Land Records.
13. Easement for ingress and egress from Farm Hollow Corporate Centers, Limited Partnership to Farms Associates dated October 23, 1986 and recorded in Volume 343, Page 374 of the Farmington Land Records.
14. Variance regarding parking and landscape buffer issued to Farm Hollow Corporate Center, Limited Partnership by the Farmington Zoning Board of Appeals recorded February 29, 1988 in Volume 373, Page 98 of the Farmington Land Records.
15. Variance regarding parking and landscape buffer issued to Farm Hollow Corporate Center, Limited Partnership by the Farmington Zoning Board of Appeals recorded August 23, 1990 in Volume 414, Page 701 of the Farmington Land Records.

16. Fence Easement from the Board of Trustees of the University of Connecticut to Farms Associates dated January 24, 2005 and recorded in Volume 850, page 752 of the Farmington Land Records.

As to the appurtenant easement for landscaping and pavement adjustment from Farms Associates to Farm Hollow Corporate Center, Limited Partnership dated November 17, 1986 and recorded in Volume 343, Page 379 of the Farmington Land Records:

A. Reciprocal Easement Agreement by and between Farms Associates, Farmington Office Associates and Murray O. Gibson, et al, dated November 18, 1986 and recorded in Volume 343, Page 383 of the Farmington Land Records.

B. Notice of Lease from Farms Associates to Richard H. Gordon dated October 24, 1977 and recorded in Volume 257, page 766 of the Farmington Land Records.

C. Notice of Lease from Farms Associates to Murray O. Gibson, et al, dated February 27, 1978 and recorded in Volume 259, Page 733 of the Farmington Land Records.

AS TO 263 FARMINGTON AVENUE (THE PHASE 1 PREMISES) ONLY:

17. Drainage easements referenced in a Warranty Deed from Bernard M. O'Meara, et al, to the State of Connecticut dated March 13, 1963 and recorded in Volume 164, Page 222 of the Farmington Land Records.
18. Caveat by the Metropolitan District against the State of Connecticut dated June 30, 1967 and recorded in Volume 184, Page 452 of the Farmington Land Records.
19. Gas pipe easement from the State of Connecticut to Connecticut Natural Gas Corporation dated April 9, 1969 and recorded in Volume 194, Page 396 of the Farmington Land Records.
20. Electrical distribution easement from the State of Connecticut to The Hartford Electric Light Company dated August 6, 1969 and recorded in Volume 196, Page 503 of the Farmington Land Records.
21. Final Sewer Assessment by the Farmington Water Pollution Control Authority of the Town of Farmington against the State of Connecticut dated September 14, 1983 and recorded in Volume 298, Page 217 of the Farmington Land Records.

22526\1\2646430.2

ACTIVE/61965.66/JJK/2682780v1