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Adrianne Smith

IN THE COURT OF COMMON PLEAS OF LANCASTER COUNTY, PENNSYLVANIA

COLUMBIA CONCERNED CITIZENS :
ASSOCIATION, by Norman B. Meiskey, III, :
Frank J. Doutrich, and JoAnn V. Fritz as Trustees :
ad Litem :

Plaintiff, :

v. :

BOROUGH OF COLUMBIA :

Defendant :

CI-19-02441

NO:

ACTION FOR
DECLARATORY JUDGMENT
AND PERMENANT INJUNCTION
JURY TRIAL DEMANDED

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Lancaster Bar Association
Lawyer Referral Service
28 East Orange Street
Lancaster, PA 17602
Telephone: 717-393-0737

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AVISO

Le han demandado en corte. Si usted desea defender contra las demandas dispuestas en las paginas siguientes, usted debe tomar la accion en el plazo de veinte (20) dias despues de esta queja y se sirve el aviso, incorporando un aspecto escrito personalmente o y archivando en escribir con la corte sus ddefensas u objeciones a las demandas dispuestas contra usted el abogado le advierte que si usted no puede hacer asi que el caso puede proceder sin usted y un juicio se puede incorporar contra usted compra la corte sin aviso adicional para cualquier dinero demandado en la queja o para cualquier otra demanda o relevacion pedida por el demandante. Usted puede perder el dinero o la característica de otra endereza importante a usted.

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USTED DEBE LLEVAR ESTE PAPEL SU ABOGADO INMEDIATAMENTE. SI USTED NO HACE QUE UN ABOGADO VAYA A O LLAME POR TELEFONO LA OFICINA DISPUESTA ABAJO. ESTA OFICINA PUEDE PROVEER DE USTED LA INFORMACION SOBRE EMPLEAR A UN ABOGADO. SI USTED NO PUEDE PERMITIRSE AL HIRE A UN ABOGADO, ESTA OFICINA PUEDE PODER PROVEER DE USTED LA INFORMACION SOBRE LAS AGENCIAS QUE LOS SERVICIOS JURIDICOS DE LA OFERTA DE MAYO A LAS PERSONAS ELEGIBLES EN UN HONORARIO REDUCIDO O NINGUN HONORARIO.

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CI-19-02441

COLUMBIA CONCERNED CITIZENS
ASSOCIATION, by Norman B. Meiskey, III,
Frank J. Doutrich, and JoAnn V. Fritz as Trustees
ad Litem

Plaintiff,

v.

BOROUGH OF COLUMBIA

Defendant

NO:

ACTION FOR
DECLARATORY JUDGMENT
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JURY TRIAL DEMANDED

COMPLAINT

Plaintiff, Columbia Concerned Citizens Association, by its undersigned counsel, hereby
files this Complaint and states as follows:

1. This is a Declaratory Judgment Action pursuant to 42 Pa. C.S. § 7533, through
which Plaintiff seeks a declaration that Columbia Borough Ordinance No. 897 – 2018
(“Ordinance”) is unconstitutional and invalid, and also a permanent injunction.
2. Plaintiff is Columbia Concerned Citizens Association, which is an unincorporated
nonprofit association organized pursuant to 15 Pa.C.S. § 9111, with a mailing address of 460
Chestnut Street, Columbia, Pennsylvania, 17512 (“CCCA”).
3. Plaintiff is authorized to bring suit pursuant to 15 Pa.C.S. § 9118.

4. Plaintiff's members are taxpayers and/or residents within Columbia Borough, and as such, Plaintiff's rights, status and/or other legal relations are affected by the Ordinance.

5. Defendant is Columbia Borough, which is a Pennsylvania municipality incorporated pursuant to the Pennsylvania Borough Code, 8 Pa.C.S. § 101 et seq. (the "Borough Code"), with offices located at 308 Locust Street, Columbia, PA 17512 ("Borough"). **CI-19-02441**

6. On March 12, 2018, the Borough adopted the Ordinance at a duly-advertised and duly-convened public meeting. A true and correct copy of Ordinance No. 897 – 2018 is attached hereto and made a part hereof as Exhibit "A."

7. The Ordinance establishes "a commercial revolving loan program" ("Commercial Loan Program").

8. Pursuant to the Ordinance, the Borough is authorized to fund the Commercial Loan Program in the amount of \$1.5 million dollars.

9. The Ordinance provides that the funding for the Commercial Loan Program is to come from the Borough's annual budget.

10. The Borough's annual budget is funded in large part through taxes collected by the Borough from the property owners and residents in the Borough.

11. The millage rate for the year 2019 was increased from 6.6 mills to 8.0 mills. A true and correct copy of the Tax Levy Ordinance, Ordinance No. 907, adopted by Columbia Borough's Borough Council on December 13, 2018, which raised the millage rate to 8.0 mills effective January 1, 2019, is attached hereto and incorporated herein as Exhibit "B."

12. Upon information and belief, Plaintiff avers that the millage rate was increased in order to fund the budget line item for the Commercial Loan Program. A true and correct copy of the 2019 Budget for Columbia Borough is attached hereto and incorporated herein as Exhibit "C."

13. For the fiscal year 2019, it is projected that the millage levied by the Borough will generate approximately \$ 3,385,159.00 in property tax revenue. See, Exhibit C, "Property Tax." **CL-19-02441**

14. The Borough 2019 Budget allocates \$800,000.00, or 1.88 mills, of this revenue to the Commercial Loan Program. See, Exhibit C, Line Item 01-492-190.

15. The Commercial Loan Program funds are available to finance private, commercial development within the Borough, in exchange for a mortgage held by the Borough.

16. The Borough has already, and intends to in the near future, loan public funds to private entities through the Commercial Loan Program established by the Ordinance.

17. Upon information and belief, on May 4, 2018, the Borough loaned public funds in the amount of \$250,000.00 to Murphy Acquisition Group, LLC through the Commercial Loan Program.

18. The Borough obtained a mortgage for this loan, which was recorded in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania on May 8, 2018. A true and correct copy of the mortgage is attached hereto and made a part hereof as Exhibit "D."

19. Upon information and belief, at best, the Borough is a second-position lien holder on the property that is collateral for this mortgage.

COUNT I – DECLARATORY JUDGMENT
VIOLATION OF THE CONSTITUTION OF THE COMMONWEALTH OF
PENNSYLVANIA, ARTICLE IX, SECTION 9

20. The averments in paragraphs 1 – 19 are incorporated as though fully set forth
herein. **CI-19-02441**

21. The Constitution of the Commonwealth of Pennsylvania, Article IX, Section 9, states, “The General Assembly shall not authorize any municipality or incorporated district to become a stockholder in any company, association or corporation, or to obtain or appropriate money for, or to loan its credit to, any corporation, association, institution or individual...” Pa. Const. Art. IX, § 9.

22. The Borough is appropriating public funds to private entities in violation of Pa. Const. Art. IX, § 9.

23. Consequently, as the Borough is appropriating money and lending its credit to unauthorized entities through the Ordinance, there exists an actual controversy that is ripe for determination.

24. The Plaintiff's members' are suffering immediate and irreparable injury as a result of the unconstitutional appropriation of public funds due to their taxpayer status in the Borough.

25. A determination by this Honorable Court of the constitutionality of the Ordinance is necessary.

26. Plaintiff believes, and therefore avers, that the commercial development that the Borough would like to fund would provide pecuniary benefits to certain members of the Columbia Borough Council.

27. Plaintiff believes, and therefore avers, that without a permanent injunction, the Borough would continue to seek unconstitutional and invalid ways to loan or appropriate public funds to unauthorized entities for commercial development. **CL-19-02441**

28. As a direct and proximate result of the Ordinance and the Borough's previous and prospective loaning of public funds to unauthorized entities, Plaintiff has suffered injuries and losses, including but not limited to, violations of the Pennsylvania Constitution, that have resulted in misappropriation of tax funds, and an increase in millage rate in order to fund the unlawful Commercial Loan Program.

29. As a proximate result of the Ordinance and the Borough's previous and prospective loaning of taxpayer funds to other entities, Plaintiff has suffered damages in an amount which cannot be reasonably ascertained at present.

30. Unless restrained by this Court, the Borough will continue to unconstitutionally and unlawfully loan or otherwise appropriate taxpayer funds to unauthorized entities.

WHEREFORE, the Plaintiff, Columbia Concerned Citizens Association, prays that this Honorable Court enter judgment as follows:

- A. Declaring that Ordinance 897 – 2018 is unconstitutional and invalid;
- B. Permanently enjoining Columbia Borough from loaning or appropriating public funds to unauthorized entities; and

- C. Requiring that Columbia Borough either repeal Ordinance 907, or amend Ordinance 907 to eliminate the millage increase associated with funding the unlawful Commercial Loan Program established by Ordinance 897 – 2018.

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COUNT II – DECLARATORY JUDGMENT
VIOLATION OF THE PENNSYLVANIA BOROUGH CODE, SECTION 1316

31. The averments in paragraphs 1 – 30 are incorporated as though fully set forth herein.
32. The Borough Code does not provide authority for Boroughs to lend or appropriate money to non-public, for-profit entities.
33. The Commercial Loan Program is an investment of Borough funds.
34. Pursuant to Section 1316 of the Borough Code, the Borough is authorized to invest funds as follows:
- a. United States Treasury bills.
 - b. Short-term obligations of the United States Government or its agencies or instrumentalities.
 - c. Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that the accounts are so insured, and, for the amounts above the insured maximum, if approved collateral as provided by law shall be pledged by the depository.

d. Obligations of:

(i) the United States or its agencies or instrumentalities backed by the full faith and credit of the United States;

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(ii) the Commonwealth or its agencies or instrumentalities backed by the full faith and credit of the Commonwealth; or

(iii) a political subdivision of the Commonwealth or its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

e. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.), if the only investments of the company are in the authorized investments for borough funds listed in paragraphs (1), (2), (3) and (4).

f. Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that the accounts are so insured. ...

g. An investment authorized by 20 Pa.C.S. Ch. 73 (relating to municipalities investments) must be an authorized investment for a pension or retirement fund.

h. Bonds of a municipal authority or parking authority created solely by the borough for the purpose of either investment or possible retirement of the bonds and acquisition of authority projects at an earlier date than originally contemplated,

using for the purpose either surplus funds of the borough or money appropriated in the annual budget for the purpose.

8 Pa.C.S.A. §1316.

35. The Borough is not authorized to invest its funds in investment products as provided in the Ordinance. **CI-19-02441**

36. The Borough is only permitted to invest public funds pursuant to the options listed in Section 1316 of the Borough Code. 8 Pa.C.S.A. §1316.

37. Consequently, as the investment products provided in the Ordinance are not available to the Borough as provided in Section 1316 of the Borough Code, there exists an actual controversy that is ripe for determination.

38. The Plaintiff's members' are suffering immediate and irreparable injury as a result of the invalid and unlawful appropriation of public funds due to their taxpayer status in the Borough.

39. A determination by this Honorable Court of the validity of the Ordinance is necessary.

40. Plaintiff believes, and therefore avers, that without a permanent injunction, the Borough would continue to seek invalid ways to loan, invest and appropriate public funds to unauthorized entities for commercial development.

41. As a direct and proximate result of the Ordinance and the Borough's previous and prospective investment of public funds by way of loans to unauthorized entities, Plaintiff has suffered injuries and losses, including but not limited to, violations of the Pennsylvania

Constitution and Borough Code, that have resulted in misappropriation of tax funds, and an increase in millage rate in order to fund the unlawful Commercial Loan Program.

42. As a proximate result of the Ordinance and the Borough's previous and prospective investment of taxpayer funds with unauthorized entities, Plaintiff has suffered damages in an amount which cannot be reasonably ascertained at present. **CI-19-02441**

43. Unless restrained by this Court, the Borough will continue to unlawfully invest taxpayer funds with unauthorized entities.

WHEREFORE, the Plaintiff, Columbia Concerned Citizens Association, prays that this Honorable Court enter judgment as follows:

- A. Declaring that Ordinance 897 – 2018 is invalid;
- B. Permanently enjoining Columbia Borough from investing public funds with unauthorized entities; and
- C. Requiring that Columbia Borough either repeal Ordinance 907, or amend Ordinance 907 to eliminate the millage increase associated with funding the Commercial Loan Program established by Ordinance 897 – 2018.

COUNT III – DECLARATORY JUDGMENT
VIOLATION OF THE PENNSYLVANIA BOROUGH CODE, SECTION 1402

44. The averments in paragraphs 1 –43 are incorporated as though fully set forth herein.

45. The Borough Code does not provide authority for Boroughs to enter into contracts
CI-19-02441
with non-public entities without first providing due notice in a newspaper of general circulation,
and without awarding the contract to the lowest responsible bidder. 8 Pa.C.S. §1402.

46. To the extent the Commercial Loan Program is alleged to provide for community
development within the Borough, the Borough has improperly used public funds without awarding
contracts to the lowest responsible bidder after due notice in accordance with Section 1402 of the
Borough Code. 8 Pa. C.S.A. §1402.

47. The contracts that will be entered into by the Commercial Loan Program recipient
for the development of the downtown Columbia Borough area will be paid with public funds.

48. Contracts that will be paid with Borough funds are subject to procurement
requirements and prevailing wage requirements.

49. Consequently, as the Borough is entering into contracts through the Ordinance
without first complying with Section 1402 of the Borough Code, there exists an actual controversy
that is ripe for determination.

50. The Plaintiff's members' are suffering immediate and irreparable injury as a result
of the unlawful use of public funds due to their taxpayer status in the Borough.

51. A determination by this Honorable Court of the validity of the Ordinance is
necessary.

52. Plaintiff believes, and therefore avers, that without a permanent injunction, the Borough would continue to seek invalid ways to contract for public projects without complying with Section 1402 of the Borough Code.

53. As a direct and proximate result of the Ordinance and the Borough's previous and prospective contracting for public projects without complying with Section 1402 of the Borough Code, Plaintiff has suffered injuries and losses, including but not limited to, violations of the Pennsylvania Constitution and Borough Code, that have resulted in misappropriation of tax funds, and an increase in millage rate in order to fund the unlawful Commercial Loan Program.

54. As a proximate result of the Ordinance and the Borough's previous and prospective contracting for public projects without complying with Section 1402 of the Borough Code, Plaintiff has suffered damages in an amount which cannot be reasonably ascertained at present.

55. Unless restrained by this Court, the Borough will continue to unlawfully contract for public projects without complying with Section 1402 of the Borough Code.

WHEREFORE, the Plaintiff, Columbia Concerned Citizens Association, prays that this Honorable Court enter judgment as follows:

- A. Declaring that Ordinance 897 – 2018 is invalid;
- B. Permanently enjoining Columbia Borough from contracting for public projects without complying with Section 1402 of the Borough Code; and
- C. Requiring that Columbia Borough either repeal Ordinance 907, or amend Ordinance 907 to eliminate the millage increase associated with funding the unlawful Commercial Loan Program established by Ordinance 897 – 2018.

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Adrianne Smith

Respectfully submitted:

STOCK AND LEADER

By:  **CI-19-02441**

Steven M. Hovis, Esquire - #59009

Gregory W. Bair, II, Esquire - #208156

✓ Sarah L. Doyle, Esquire - #321149

Victoria L. Woods, Esquire - #326198

Susquehanna Commerce Center

221 West Philadelphia Street, Suite E600

York, PA 17401

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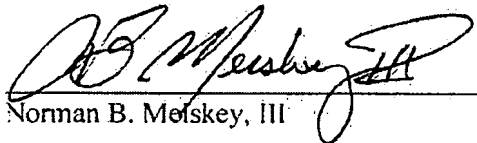
Counsel for Plaintiff

VERIFICATION

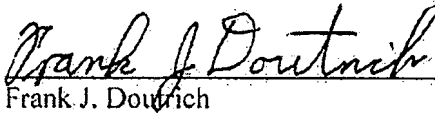
We are the Trustees ad Litem for the Plaintiff in the foregoing action. We hereby affirm that the following facts are correct: The attached Complaint is based upon information which has been furnished to counsel in the preparation of this document. We have read the Complaint and it is true and correct to the best of my knowledge, information and belief. We hereby acknowledge that the averments of fact set forth in the aforesaid Complaint are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

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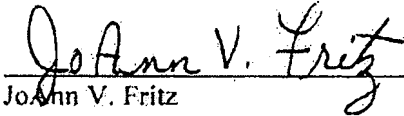
Date: 3/15/19


Norman B. Melskey, III

Date: 3/15/19


Frank J. Douthett

Date: March 15, 2019


JoAnn V. Fritz


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CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Case Records Public Access Policy of the Unified Judicial System of Pennsylvania* that require filing confidential information and documents differently than non-confidential information and documents.

CI-19-02441

Submitted by: Plaintiff

Signature: 

Name: Sarah L. Doyle

Attorney No. (if applicable): 321149

BOROUGH OF COLUMBIA, LANCASTER COUNTY, PENNSYLVANIA

ORDINANCE NO. 897 - 2018

INTRODUCED BY COUNCIL – March 12, 2018

ADOPTED BY COUNCIL – March 12, 2018

AN ORDINANCE OF THE BOROUGH OF COLUMBIA, LANCASTER COUNTY, PENNSYLVANIA ESTABLISHING A COMMERCIAL REVOLVING LOAN PROGRAM, AUTHORIZING THE RETENTION OF A THIRD PARTY ADMINISTRATOR, SETTING FORTH FEES TO BE PAID TO A THIRD PARTY ADMINISTRATOR; REQUIRING REPORTING TO THE BOROUGH COUNCIL OF THE BOROUGH OF COLUMBIA; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; PROVIDING FOR THE SEVERABILITY OF THE ORDINANCE; AND PROVIDING THAT THE ORDINANCE SHALL TAKE EFFECT AS PROVIDED BY PENNSYLVANIA LAW.

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BACKGROUND

WHEREAS, the Borough of Columbia desires to create an economic development revolving loan program to provide funding that will encourage the purchase, ownership and renovation of commercial and industrial buildings within the Borough of Columbia with a specific interest in the development, retention and expansion of businesses within the downtown and riverfront districts of the Borough; and

WHEREAS, the primary goals of the Borough of Columbia's Commercial Revolving Loan Program are: (1) creating quality full-time employment opportunities for the residents of the Borough of Columbia; (2) encouraging new private investment in the Borough of Columbia; and (3) bolstering the local tax base through property expansion and infrastructure development.

NOW, THEREFORE, BE AND IT IS HEREBY ORDAINED AND ENACTED by the Borough Council of the Borough of Columbia, Lancaster County, Pennsylvania, as follows:

SECTION 1. By adoption of this Ordinance there is hereby created a revolving commercial loan program in the amount of \$1,500,000.00 to be known as the Borough of Columbia Commercial Revolving Loan Program.

SECTION 2. The Borough Council may, from time to time, by resolution of Borough Council enter into agreements with third party administrators to administer the Borough of Columbia Commercial Revolving Loan Program.

SECTION 3. Any contract for the provision of third party administration of the Borough of Columbia Commercial Revolving Loan Program shall provide for the following:

A. The power for such administrator to serve as an independent contractor and to control all administration rights with respect to loans made under the loan program including underwriting each loan in accordance with accepted lending practices, approving and/or denying loan applications, documenting the loan in accordance with accepted practices, administering the loan from closing through final payment, responding to inquiries from any regulatory authority with respect to loans made, investigating delinquencies and engaging in collection activities, processing payments and other similar matters.

B. Designate the third party administrator as the Borough of Columbia's agent.

C. The fees to be paid to such administrator shall not exceed interest on the loans made plus late fees, costs of collection and other fees charged under and pursuant to the loan documents.

D. Provide that the agreement is subject to and in accordance with the terms of this Ordinance and the terms of this Ordinance are incorporated into such agreement.

E. Require the use of loan documents approved by the Borough solicitor.

SECTION 4. To be eligible for a loan from the Borough of Columbia Commercial Revolving Loan Program, the loan must be for the purchase, ownership and/or renovation of a commercial or industrial building within the Borough of Columbia or for the purchase of equipment, other business assets, general working capital, contract financing, leasehold improvements, and other general and customary business uses. Special priority and emphasis will be given to those properties situated in the downtown and riverfront districts. The Borough of Columbia and/or any third-party administrator administering the Borough of Columbia Commercial Loan Program shall, in addition, to the above, apply the following eligibility criteria in reviewing and approving loan applications and underwriting loans:

A. Only buildings with commercial or industrial use on the first floor of the property are eligible. Applicants are to provide details on the final use of the property at the time of the loan application.

B. Applicants must meet accepted credit requirements and provide proof that all property taxes are current and that the property is adequately insured.

C. The proposed improvements must be reviewed and approved by the Historical Architectural Review Board if the property is situated within the historic district. Adherence to the Secretary of Interior Standards for rehabilitation will be

stressed for all loans made through the Borough of Columbia Commercial Revolving Loan Program.

D. Architectural fees and costs for awnings, signs and landscaping improvements are eligible expenses to be funded through the Borough of Columbia Commercial Revolving Loan Program.

E. All improvements must meet and satisfy all codes of the Borough of Columbia.

SECTION 5. Additional requirements for all loans made under and through the Borough of Columbia Commercial Revolving Loan Program are:

A. The property being improved with loan funds must have commercial, retail and/or industrial use.

B. All required permits must be obtained prior to the start of construction.

C. All such loans shall be secured by lien positions on collateral at the highest level of priority, which can accommodate the borrower's ability to raise sufficient debt and equity capital.

D. The borrower and its principals may not be delinquent in or in default of any existing private or public loans relating to the business, unless the business and/or its principals provide an affidavit stating that the business and/or its principals have entered into and are in compliance with a workout agreement satisfactory to the respective creditors and satisfactory to the Borough of Columbia and/or any third-party administrator administering the Borough of Columbia Commercial Revolving Loan Program.

E. The business and its principals must be current in payment of all applicable Federal, State and Local taxes or have entered into a workout agreement satisfactory to the taxing authorities, the Borough of Columbia and/or any third-party administrator of the Borough of Columbia Commercial Revolving Loan Program and must be in compliance with the terms of such agreement.

F. The business, its principals and managerial officers must disclose any real or potential conflicts of interest between themselves and any officials or employees of the Borough of Columbia and/or the entity serving as the third-party administrator of the Borough of Columbia Commercial Revolving Loan Program.

G. All sources of matching funds must be identified when the application is submitted to the Borough of Columbia Commercial Revolving Loan Program and must be in place at the time of the loan closing.

H. At the discretion of the Borough of Columbia or its third-party administrator, loan proceeds may be fully disbursed to the business at closing or

fully or partially deposited into an escrow account with a commercial lending institution.

I. All projects financed through the Borough of Columbia Commercial Revolving Loan Program shall commence and be completed within a reasonable time.

SECTION 6. No less frequently than quarter annually, the Borough Manager, if there is no third-party administrator, or the third-party administrator if one has been retained by the Borough of Columbia shall report to the Borough of Columbia on the following matters:

- A. The number of loans made and to whom;
- B. The status of all outstanding loans;
- C. The activity related to applications made for new loans; and
- D. Such other and further information as may be requested by Borough Council and/or the Borough Manager.

SECTION 7. The initial funding for the Borough of Columbia Commercial Revolving Loan Program is \$1,500,000.00 as already provided for in the 2018 Borough of Columbia budget. The Borough Manager is directed and authorized to fund loans under the Borough of Columbia Commercial Revolving Loan Program up to the maximum principal amount of \$1,500,000.00. As loans are repaid, the balances repaid to the Borough shall remain designated as part of the Borough of Columbia Revolving Loan Program and may be utilized by the Borough Manager and/or any third party administrator retained by the Borough to make additional loans; it being understood that the intent and purpose of the Commercial Revolving Loan Program is to continually make loans available for purposes of economic development within the Borough of Columbia. By resolution from time to time of Borough Council, the funding for the Borough of Columbia Commercial Revolving Loan Program may be increased.

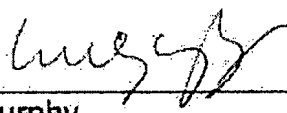
SECTION 8. All ordinances or resolutions or parts of ordinances or resolutions insofar as they are inconsistent herewith are hereby repealed and rescinded.

SECTION 9. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any of the remaining provisions, sections, sentences, clauses or parts of this Ordinance; it being the intent of the Borough of Columbia that the remainder of the Ordinance shall be and shall remain in full force and effect.

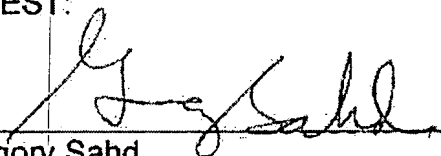
SECTION 10. This Ordinance shall become effective as provided by the laws of the Commonwealth of Pennsylvania.

DULY ORDAINED AND ENACTED this 12th day of March, 2018,
by the Borough Council of the Borough of Columbia, Lancaster County, Pennsylvania,
in lawful session duly assembled.

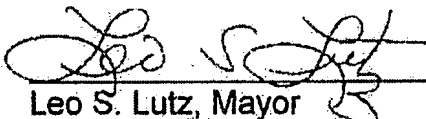
BOROUGH OF COLUMBIA, LANCASTER
COUNTY, PENNSYLVANIA

By: 
Kelly Murphy,
President of Borough Council

ATTEST:


Gregory Sahd,
Secretary of Borough Council

Examined and approved this 12 day of March, 2018.


Leo S. Lutz, Mayor

BOROUGH OF COLUMBIA, LANCASTER COUNTY, PENNSYLVANIA

ORDINANCE NO. 907

INTRODUCED BY COUNCIL –December 13, 2018

ADOPTED BY COUNCIL – December 13, 2018

**AN ORDINANCE OF THE BOROUGH OF COLUMBIA, LANCASTER COUNTY,
PENNSYLVANIA AMENDING THE CODE OF THE BOROUGH OF COLUMBIA,
LANCASTER COUNTY, PENNSYLVANIA, FIXING THE TAX RATES FOR THE
FISCAL YEAR; PROVIDING FOR THE REPEAL OF INCONSISTENT
ORDINANCES; PROVIDING FOR THE SEVERABILITY OF THE ORDINANCE;
AND PROVIDING THAT THE ORDINANCE SHALL TAKE EFFECT AS PROVIDED
BY PENNSYLVANIA LAW.**

CP-19-02441

NOW, THEREFORE, BE AND IT IS HEREBY ORDAINED AND ENACTED by the Borough Council of the Borough of Columbia, Lancaster County, Pennsylvania, as follows:

SECTION 1.

That a tax be and the same is hereby levied on all real property within the said Borough subject to taxation for Borough purposes for the fiscal year 2019 as follows:

The rate for general Borough purposes shall be the sum of 8.0 Mills on each dollar of assessed valuation, which amounts to \$.80 of tax on each \$100.00 of assessed value.

SECTION 2.

- (a) All taxpayers subject to the payment of tax levied hereunder shall be entitled to a discount of two (2%) percent from the amount of such tax upon making payment of the whole amount thereof and within (2) months after the date of the tax notice.
- (b) All taxpayers who shall fail to make payment of any such tax charged against them for four (4) months after the date of the tax notice shall be charged a penalty of (10%) percent, which penalty shall be added to the taxes by the tax collector and be collected by her.

SECTION 3.

That all Ordinances or Resolution, or parts of Ordinances or Resolutions, insofar as they are inconsistent herewith, are hereby repealed.

SECTION 4.

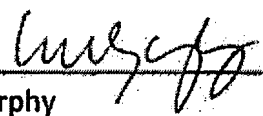
In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any of the remaining provisions, sections, sentences, clauses or parts of this Ordinance; it being the intent of the Borough of Columbia that the remainder of the Ordinance shall be and shall remain in full force and effect.

SECTION 5.

This Ordinance shall become effective as provided by the laws of the Commonwealth of Pennsylvania.


DULY ORDAINED AND ENACTED this 13th day of December 2018, by the Borough Council of the Borough of Columbia, Lancaster County, Pennsylvania, in lawful session duly assembled.

**BOROUGH OF COLUMBIA
LANCASTER COUNTY, PENNSYLVANIA**



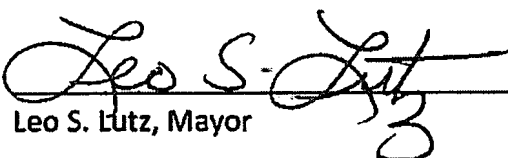
Kelly Murphy
President of Borough Council

ATTEST:



Rebecca S. Denlinger
Secretary/Treasurer

Examined and approved this 13th day of December 2018



Leo S. Lutz, Mayor

Columbia Borough 2019 General Fund Budget

ENTERED AND FILED
PROTHONOTARY'S OFFICE
LANCASTER, PA

Electronically Filed
Mar 15 2019 12:36PM

REVENUES			Adrianne Smith
PROPERTY TAX MILLAGE			0.00800
01-301-100	General Property Taxes (95%)	3,240,159	
01-301-200	Property Taxes Prior Years	5,000	
01-301-300	Property Taxes Delinquent Taxes (5%)	140,000	
PROPERTY TAX			3,385,159
01-310-100	Real Estate Transfer Tax	87,500	
01-310-210	Earned Income Tax	890,000	
01-310-430	LST Tax	140,000	
INCOME TAX			CI-19-02441
01-321-200	Health License	4,500	
01-321-310	Misc license (Pawn,Antique,Tattoo)	3,500	
01-321-610	Peddler's License	750	
01-321-800	Cable Tv Franchise	146,000	
01-321-900	Cell Tower(Verizon)	14,900	
LICENSES			169,650
01-331-109	State Police and County Fines	18,000	
01-331-112	Ordinance Violations District Justice	60,000	
01-331-300	Parking Fines	70,000	
FINES			148,000
01-341-100	Interest Earnings	40,000	
INTEREST			40,000
01-342-200	Lease of 137 S. Front St	59,100	
LEASE AGREEMENTS			59,100
01-351-001	Act 205 Pension	299,801	
OPERATING GRANTS			299,801
01-354-040	904 Recycling Grant income	10,000	
01-354-050	Grant Proceeds (Bond)	5,050,000	
RECYCLING GRANTS			5,060,000
01-355-010	PURTA	5,500	
01-355-080	Liquor Licenses	5,000	
01-355-990	Firemen's Relief	50,000	
STATE SERVICES			60,500
01-357-020	Lanc. County Task Force	89,888	
01-357-025	Drug task reimbursement OT	-	
01-357-030	Police Grants and reimbursements	2,400	
01-357-035	SRO Officer (reimb from School Dist)	61,912	
COUNTY SERVICES			154,200
01-361-100	Code Dept Services	2,000	
01-361-310	Sub-Division/Land Development Fees	1,000	
01-361-330	Building/Zoning Permits	30,000	
01-361-340	Zoning Hearings	3,500	
01-361-350	Quick Ticket Fines	25,000	
01-361-510	Sale of Materials	1,000	

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

01-361-620	Lancaster County Tax Collection Fee	2,700
CODE AND ZONING SERVICES		65,200
01-362-110	Sale of accident reports	2,500
01-362-140	School District-Crossing Guards	15,297
01-362-400	Rental Registration	90,000
01-362-425	Inspection Fees	40,000
01-362-450	Certificate of Occupancy Licenses	7,500
PUBLIC SAFETY		155,297
01-363-100	Street Openings Permits	15,000
01-363-210	Meter Receipts	65,000
01-363-220	Contractor Parking Permits	4,000
01-363-400	Recycling Income	50,000
01-363-600	Code Lien Recovery	7,000
01-363-700	Bid Filing Fees	100
HIGHWAY/STREETS		141,100
01-365-501	Animal Control & Shelter Fees	800
ANIMAL CONTROL		800
01-367-201	TRAIL SERVICES BUILDING rental	-
RENTALS		-
01-372-400	Electric Generation Fee(LCSWA)	50,016
CONTRACTUAL		50,016
01-380-001	Miscellaneous Revenue	10,000
01-380-002	Insurance Proceeds	10,000
01-380-004	Tax Certifications	6,000
01-380-005	Police Misc Rev (BB&T Donations)	-
01-380-150	Sewage Lien collections	1,000
MISCELLANEOUS		27,000
01-387-001	Contribution from Private Sources	1,000
01-387-002	In lieu of Taxes (Nontaxable Entities)	12,000
01-387-005	Employee Health Insurance Copay (NonPol)	32,124
01-387-006	Employee Health Insurance Copay (Pol)	36,445
MISCELLANEOUS I		81,569
01-391-005	Bike Patrol Unit(sale of bikes)	1,000
01-391-100	Sales of Fixed Assets	-
MISCELLANEOUS II		1,000
01-395-001	Refunds of Prior Year Ex	2,500
01-130-030	Due from Bond Capital Fund	178,349
01-130-018	Due from Capital Fund (WF)	301,690
01-130-035	Due from Highway Fund (Liquid Fuels)	27,105
INTERFUND FINANCING/TRANSFERS		509,644
TOTAL REVENUES		11,466,436
EXPENSES		
01-400-112	Council Compensation	8,400

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

01-400-113	Mayor Compensation	1,200
01-400-300	Conference and Training	2,000
ELECTED OFFICIALS		11,600
01-401-121	Borough Mgr Salary	65,315
01-401-122	Borough Mgr - Interfund Salary, Bond Capital	13,701
01-401-123	Borough Mgr - Interfund Salary, Capital	15,985
01-401-124	Borough Mgr - Interfund Salary, Liquid Fuels	-
01-401-337	Mileage	500
BOROUGH MANAGER		95,500
01-402-120	Finance Manager Salary	55,973
01-402-140	Clerical Salaries (4)	127,734
01-402-142	Clerical - Interfund Salary, Bond Capital	6,498
01-402-143	Clerical - Interfund Salary, Capital	6,288
01-402-144	Clerical - Interfund Salary, Liquid Fuels	1,677
01-402-141	Clerical Overtime	3,750
01-402-210	Office Supplies	14,000
01-402-300	Conference and Training	3,000
01-402-302	Consulting Services:	30,000
01-402-310	Borough Code Maintenance	8,000
01-402-311	Accounting/Auditing	16,000
01-402-316	Pension Services	10,000
01-402-317	Contracted Services	12,000
01-402-325	Postage-(All Departments)	15,000
01-402-340	Printing and Advertising	12,000
01-402-360	Bank Service Charges	2,000
01-402-374	Maintenance Office Equipment	45,000
01-402-420	Dues and Publications	6,000
01-402-750	Small Office Equipment	2,000
01-402-999	Miscellaneous	2,000
ADMINISTRATION STAFF		378,919
01-403-115	LCTCB fees	16,000
01-404-314	Solicitor's Fees	65,000
01-404-315	Labor Counsel	30,000
01-404-316	Arbitration Services	4,000
LEGAL & TAX COLLECTIONS		115,000
01-409-120	Custodians salary (1) pt 1(ft)	54,032
01-409-121	Custodial - Interfund Salary, Bond Capital	10,223
01-409-122	Custodial - Intrerund Salary, Capital	-
01-409-123	Custodial - Interfund Salary, Liquid Fuels	-
01-409-239	Clothing Allowance (Janitorial)	600
01-409-226	Cleaning Supplies	4,500
01-409-321	Phone Service	7,000
01-409-352	Property/ Liability Insurance-no police	80,000
01-409-361	Electric Service	15,000
01-409-362	Gas UGI	4,000
01-409-364	137 S Front-Fire Dept bldg - Utilities	2,000
01-409-365	Trash removal	12,000

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

01-409-366	Water Service	2,000
01-409-370	Maintenance & repairs to bldg	10,000
01-409-374	Maintenance of Equipment	7,500
01-409-376	137 S Front-Fire Dept bldg maint/repair	5,000
01-409-384	Rental of equip	1,500
01-409-430	Property Taxes	1,000
01-409-999	Miscellaneous	2,000
PROPERTY MANAGEMENT		218,355
01-410-120	Chief of Police Salary	94,565
01-410-130	Sergeant's Salaries- (3)	257,647
01-410-131	Patrolmen's Salaries (15)	1,125,721
01-410-132	Part time Patrolmen (3)	30,000
01-410-133	School crossing (7)	37,382
01-410-134	Acting OIC	15,000
01-410-135	Parking Enforcement officers (1)	-
01-410-136	Enforcement officers (3)	39,026
01-410-137	Administrative Assistant (1)	43,598
01-410-140	Administrative Personnel (1)	47,283
01-410-141	CSA Personnel (1FT 1 PT)	67,734
01-410-142	CSA Personnel OT	5,000
01-410-174	Police/Traffic Safety Schools	8,000
01-410-179	Longevity	28,500
01-410-180	Police Degree Bonus	5,500
01-410-183	Police Overtime	120,000
01-410-192	Police FICA	44,438
01-410-194	Police Unemployment Comp.	17,149
01-410-195	Police Workmans Comp	98,911
01-410-196	Police Health Insurances incl retired officers	573,378
01-410-197	Police Pension	376,491
01-410-198	Police Pension (NonUnif Dept Employees)	9,675
01-410-200	Police Equipment and Supplies	10,000
01-410-204	Officer Equipment Allowance	7,100
01-410-205	Safety Supplies	8,400
01-410-201	Police Ammo	5,000
01-410-202	Community Programs	-
01-410-203	CBSD - Vision Program	-
01-410-228	Maintenance Animals (Col Animal Hosp)	2,000
01-410-231	Gas and Oil for Vehicles	15,000
01-410-238	Police Uniform/Cleaning	10,000
01-410-239	Parking Enforcement Clothing Allowance	900
01-410-316	Civil Service commission	500
01-410-317	Pre-Employment testing	500
01-410-321	Phone Service	12,000
01-410-327	Maintenance& Repair of Radios	3,000
01-410-328	Maintenance & Repair of surveillance system	20,000
01-410-351	Police Property Liability	50,000
01-410-375	Maintenance & Repair of Parking Meters	2,000

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

01-410-376	Maintenance & Repair of Vehicles	8,000
01-410-377	Maintenance & Repair of Equipment	25,000
01-410-384	Rental of Machinery & Equipment	3,000
01-410-530	Lanc. County Task Force	10,400
01-410-610	Maintenance & Repair of Building	7,000
01-410-750	Minor equipment Purchase	2,000
01-410-999	Miscellaneous	2,000
PUBLIC SAFETY SERVICES - POLICE		3,248,798
01-411-220	Operating Supplies	500
01-411-231	Gas and oil for vehicles	7,027
01-411-352	Insurance-Fire Company- Vehicles only	6,000
01-411-363	Fire Hydrant Water Service	40,000
01-411-364	Fire bldg So Front st Water/Sewer moved to 409	-
01-411-365	Electric-Fire Dept Building	5,000
01-411-376	Maintenance of Equipment	1,000
01-411-381	SWIF Workers Comp Insurance for Firemen	35,000
01-411-500	Fire Companies Contributions	85,000
01-411-501	Volunteer Tax Rebate	5,000
01-411-540	Firemen's Relief Fund	50,000
PUBLIC SAFETY SERVICES - FIRE		234,527
01-413-122	Zoning Manager (1) FT	67,487
01-413-123	Code Manager (1) FT	60,000
01-413-140	Clerical Salaries (3) FT	137,501
01-413-141	Clerical Overtime	3,750
01-413-142	Enforcement Officers (1) PT	17,672
01-413-220	Operating Supplies	7,400
01-413-231	Gas and oil for vehicle	1,300
01-413-300	Conference and Training	6,000
01-413-317	Contracted Services	6,000
01-413-321	Phone/Air card services	3,500
01-413-330	Historic District Guidelines and Administration	1,500
01-413-340	Printing	1,000
01-413-350	Board of Health	500
01-413-376	Maintenance of Vehicle	1,500
01-413-420	Dues and Subscriptions	1,000
01-413-422	Land Bank	5,000
01-413-750	Minor Equipment	2,000
01-413-999	Miscellaneous	2,000
PUBLIC SAFETY SERVICES - CODE		325,110
01-414-314	Court Stenographer - Zoning Board	9,000
01-414-315	Part time Code Workers- (2)	49,170
01-414-316	Part Time Property Insp. (1)	23,832
01-414-317	Full time property inspector (1)	55,000
PUBLIC SAFETY SERVICES - CODE I		137,002
01-415-340	Disaster Planning Manual	500
01-415-700	Emergency Management Center	500
01-415-750	Computer Equipment	1,000

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

PUBLIC SAFETY SERVICES - EMERGENCY MGMT CENTER		2,000
01-429-120	Public Works Director see 430 line	-
01-429-121	Wastewater Manager	-
01-429-161	Payroll Taxes	-
01-429-180	Wastewater Plant Operators Licenses	-
01-429-184	Overtime	-
01-429-186	Plant Personnel(3)	-
01-429-187	Biosolids Land Lease Costs	2,650
01-429-188	Service Contract	-
01-429-189	Misc. Expenses	-
01-429-210	Office Supplies & Expenses	-
01-429-220	Chlorine/Nacl	-
01-429-221	Lime/ calcium oxide for biosolids	-
01-429-222	Alum/lq sodium aluminate	-
01-429-223	Polymer	-
01-429-224	Plant Supplies	-
01-429-225	Lab Equipment and Supplies	-
01-429-226	Outside Lab Analysis	-
01-429-231	Vehicles - Regular Fuel	-
01-429-232	Vehicles - Diesel Fuel	-
01-429-238	Uniforms	-
01-429-251	Vehicles Repairs - Parts	-
01-429-252	Vehicle Repairs	-
01-429-260	Maintenance of equipment	-
01-429-311	Accounting/auditing fees	-
01-429-312	Special Consult Fees(AlM,Rettew)	-
01-429-313	Consulting Engineer	10,000
01-429-314	Legal Expenses	7,500
01-429-315	Sewage Enforcement Officer	-
01-429-321	Telephone	200
01-429-326	Lubricants	-
01-429-340	Printing and Advertising	-
01-429-361	Electricity	17,000
01-429-362	Gas	2,000
01-429-364	Bar Screenings Disposal	-
01-429-365	Biosolids Management	-
01-429-366	Water	1,200
01-429-367	Grit Disposal	1,200
01-429-368	Sewer Maintenance of lines	-
01-429-369	MS4 Com/Ind/Inst Insp	-
01-429-373	Building Maintenance	7,500
01-429-374	Maintenance of Grounds	500
01-429-384	Equipment Rental	500
01-429-410	Bad Debt Expense	-
01-429-460	Education Training	-
01-429-750	Safety Equipment	-
01-429-751	Small Equipment	-

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

01-429-830	Depreciation Plant	-
01-429-850	Amortization	-
01-429-999	Miscellaneous	500
PUBLIC SERVICES - WASTE WATER TREATMENT PLANT		50,750
01-430-120	Director of Public Works	41,193
01-430-121	Travel/mileage	500
01-430-122	Public Services Manager-	12,334
01-430-123	Public Services Manager - Interfund Salary, Bond Capital	16,646
01-430-124	Public Services Manager - Intrerund Salary, Capital	34,076
01-430-125	Public Services Manager - Interfund Salary, Liquid Fuels	4,831
01-430-135	Trolley Personnel (3)	-
01-430-136	Trolley Expenses	-
01-430-140	Highway Personnel(9)FT	155,843
01-430-141	Highway Personnel - Interfund Salary, Bond Capital	66,863
01-430-142	Highway Personnel - Intrerund Salary, Capital	143,184
01-430-143	Highway Personnel - Interfund Salary, Liquid Fuels	10,872
01-430-141	Clerical Salaries, Highway	43,598
01-430-142	Storm Water Personnel Contracted	-
01-430-143	Storm Water Supplies	15,000
01-430-144	Highway Employee License Bonus	4,800
01-430-165	Employee Certification/Testing	5,000
01-430-166	Employee Testing	500
01-430-183	Highway Personnel Overtime	15,000
01-430-200	Operating Supplies	12,000
01-430-238	Highway Uniforms/Cleaning	3,000
01-430-239	Highway Clothing Allowance	3,000
01-430-245	Highway Supplies	20,000
01-430-300	Conference and Training	3,000
01-430-313	Engineer Fees	60,000
01-430-317	Contracted Services	5,000
01-430-321	Phone Service	6,000
01-430-361	Electric	5,000
01-430-363	Building Heat	7,500
01-430-366	Water Service	2,000
01-430-373	Maintenance & Repair of Building	5,000
01-430-384	Rent of Labor & Equipment	-
01-430-401	Recycling Marketing Expense	-
01-430-402	902 Recycling Maintenance of Eqmt	10,000
01-430-403	904 Collection Expenses	1,000
01-430-530	Cola. Boro. Shade Tree Commission	5,000
01-430-740	Major Equipment Purchases	-
01-430-750	Minor Equipment Purchases	-
01-430-999	Miscellaneous	2,000
PUBLIC SERVICES - HIGHWAY		719,740
01-433-260	Street Signs	-
01-433-374	Traffic light maintenance	9,000
01-433-375	Electric-Traffic Lights (old # 410.361)	10,000

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

PUBLIC SERVICES - HIGHWAY I		19,000
01-434-361	Street Lighting Electric	98,000
PUBLIC SERVICES - HIGHWAY II		98,000
01-437-231	Gas and Oil for Equipment	30,000
01-437-374	Maintenance and Repairs of Equipment	40,000
PUBLIC SERVICES - HIGHWAY III		70,000
01-444-200	Market House - cell phone& supplies	-
01-444-312	Market Legal	1,000
01-444-361	Market House - Electric	2,000
01-444-362	Market House - Gas	2,500
01-444-366	Market House - Water/sewer Service	3,000
01-444-373	Market House - pest control/janitorial	500
MARKET HOUSE		9,000
01-452-500	Columbia Life Network	-
01-452-502	Hands Across the Street/Cola. Presby. Church	-
01-452-504	Columbia Economic Develop Corp	-
01-452-505	Columbia Historic Preservation Society	5,000
01-452-510	(SVCC) Chamber of Commerce	-
01-452-511	Our Home of Hope	-
01-452-541	Mt. Bethel Cemetary	5,000
01-452-542	Columbia Boys & Girls Club	-
01-452-543	Columbia Boy's Athletic Association	-
01-452-544	Columbia Public Library	5,000
01-452-555	Columbia Public Library Capital Fund Drive	25,000
01-452-545	Columbia United Veterans Council	500
01-452-546	Susquehanna Valley EMS	5,000
01-452-548	Columbia QRS	-
01-452-556	Columbia Creative Factory	-
COMMUNITY SUPPORT		45,500
01-452-547	Community Re-investment	15,000
01-452-549	Communications	15,000
01-452-550	Newsletter(combined in 452.549)	-
01-452-560	CRC-CHIL program	25,000
COMMUNITY DEVELOPMENT		55,000
01-454-370	Old Columbia Public Grounds	5,000
01-454-371	Maintenance of Parks	25,000
01-454-372	Trail Svs. Building - Gas	2,000
01-454-374	Trail Svs. Building - Electric	3,400
01-454-375	Trail Svs. Building- Water	700
01-454-376	Trail Svs. Building - Phone	4,000
01-454-377	Trail Svs. Building - pest control	1,000
01-454-378	Trail Svs. Building - supplies (restroom, etc)	3,000
01-454-379	Trail Svs. Building - Susquehanna Heritage	114,863
01-454-503	Parks & Rec (Programming)	2,000
PARKS AND RECREATION		160,963
01-462-100	Community Develop/Cap Workforce	-
COMMUNITY DEVELOPMENT I		-

Adopted by Columbia Council (December 13,2018).

Columbia Borough 2019 General Fund Budget

01-487-100	Health Insurances - no police	539,202
01-487-101	Pmts in lieu	22,850
01-487-200	Worker's Comp. Insurance - no police	47,808
01-487-300	U/C Insurance- no police	15,355
01-487-400	Pension(non-Uniform)	86,117
01-487-600	Compensated Absences	81,944
01-487-700	Employer FICA - no police	103,594
PERSONNEL BENEFITS		896,870
01-489-900	Misc Expenditures	5,000
PROPERTY MANAGEMENT I		5,000
01-492-180	Transfer to Capital Fund	5,050,000
01-492-182	Transfer to Debt Services Fund (Fulton Bank)	-
01-492-183	Transfer to Highway Capital Fund	-
01-492-190	Transfer to Columbia Revolving Loan Fund	800,000
01-491-001	Refunds of Prior Years	-
INTERFUND FINANCING/TRANSFERS		5,850,000
TOTAL EXPENDITURES		12,746,634
TOTAL REVENUES		11,466,436
TOTAL EXPENDITURES		(12,746,634)
FUND BALANCE/RESERVE		1,280,198
NET		-

Adopted by Columbia Council (December 13,2018).

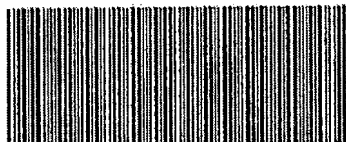
ENTERED AND FILED
PROTHONOTARY'S OFFICE
LANCASTER, PA
Electronically Filed
Mar 15 2019 12:36PM
Adrianne Smith

Lancaster County

Ann M. Hess
Recorder of Deeds
150 N. Queen Street
Suite 315
Lancaster, PA 17603
Phone: 717-299-8238
Fax: 717-299-8393



INSTRUMENT # : 6395734
RECORDED DATE: 05/08/2018 11:04:17 AM



3947041-0016S

CI-19-02441

LANCASTER COUNTY ROD

OFFICIAL RECORDING COVER PAGE

Page 1 of 15

Document Type: MORTGAGE - CORPORATE
Transaction Reference: eSecureFile : 7412176
Document Reference:

Transaction #: 3803495 - 1 Doc(s)
Document Page Count: 14
Operator Id: lgordon

RETURN TO: (Simplifile)
Community First Fund
30 West Orange Street
Lancaster, PA 17602
(717) 393-2351

SUBMITTED BY:
Community First Fund
30 West Orange Street
Lancaster, PA 17602

*** PROPERTY DATA:**

Parcel ID #:

Municipality:

School District:

*** ASSOCIATED DOCUMENT(S):**

FEES / TAXES:

RECORDING FEE: MORTGAGE - CORPORATE	\$13.00
CRC #6544	\$2.00
RIF #6543	\$3.00
WRIT TAX	\$0.50
AFF HSG #6557	\$11.50
PA SURCHARGE #6548	\$40.25
EXTRA PAGE FEE	\$20.00
Total:	\$90.25

INSTRUMENT # : 6395734
RECORDED DATE: 05/08/2018 11:04:17 AM

I hereby CERTIFY that this document is
recorded in the Recorder of Deeds Office in
Lancaster County, Pennsylvania.



Ann M. Hess
Recorder of Deeds

PLEASE DO NOT DETACH
THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

NOTE: If document data differs from cover sheet, document data always controls.
*COVER PAGE DOES NOT INCLUDE ALL DATA, PLEASE SEE INDEX AND DOCUMENT AFTER RECORDING FOR ADDITIONAL INFORMATION.

Parcel Identification Number:
110-62152-0-0000 & 110-66895-0-0000

RECORDATION REQUESTED BY:
Community First Fund as agent on behalf of
Borough of Columbia, P. O. Box 524,
LANCASTER, PA 17608-0524

WHEN RECORDED MAIL TO:
Community First Fund as agent on behalf of
Borough of Columbia, P. O. Box 524,
LANCASTER, PA 17608-0524

SEND TAX NOTICES TO:
Community First Fund as agent on behalf of
Borough of Columbia, P. O. Box 524,
LANCASTER, PA 17608-0524

FOR RECORDER'S USE ONLY

OPEN - END MORTGAGE AND SECURITY AGREEMENT

(This instrument is an open-end mortgage and secures future advances pursuant to 42 Pa. C.S. §§ 8143 and 8144, Act No. 126 of 1990).

Amount Secured Hereby: \$250,000.00

THIS MORTGAGE dated May 4, 2018, is made and executed between Murphy Acquisition Group LLC, whose address is 430 Walnut Street, Columbia, PA 17512 (referred to below as "Grantor") and Community First Fund as agent on behalf of Borough of Columbia, whose address is P. O. Box 524, LANCASTER, PA 17608-0524 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor grants, bargains, sells, conveys, assigns, transfers, releases, confirms and mortgages to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all streets, lanes, alleys, passages, and ways; all easements, rights of way, all liberties, privileges, tenements, hereditaments, and appurtenances therunto belonging or anywise made appurtenant hereafter, and the reversions and remainders with respect thereto; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Lancaster County, Commonwealth of Pennsylvania:

All that certain tract of land situate in the Borough of Columbia, County of Lancaster, Pennsylvania with improvements thereon, as more particularly described in a deed recorded in the Lancaster County Recorder's Office in Record Instrument # 6365916.

The Real Property or its address is commonly known as 249 & 261 Locust Street, Borough of Columbia, PA 17512. The Real Property parcel identification number is 110-62152-0-0000 & 110-66895-0-0000.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security

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Interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$250,000.00, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's

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Interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Pennsylvania law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$1,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain

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such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$600.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. Grantor's obligation to Lender for all such expenses shall survive the entry of any mortgage foreclosure judgment.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice; and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be

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represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all actual costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ADDITIONAL AUTHORIZATIONS. The following provisions relating to further assurances and additional authorizations are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Additional Authorizations. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby

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irrevocably authorizes Lender to make, execute, deliver, file, record and do all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph. It is understood that nothing set forth herein shall require Lender to take any such actions.

FULL PERFORMANCE. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender,

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at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option, after giving such notices as required by applicable law, to declare the entire Indebtedness immediately due and payable.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and, with or without taking possession of the Property, to collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably authorizes Lender to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the earnings, revenues, Rents, issues, profits and income from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness as a strict right. This right shall be without regard to, and without the necessity of proving (i) the inadequacy of the security for the repayment of the Grantor's Indebtedness; (ii) the insolvency of Grantor or any other person or entity who may be legally or equitably liable to pay money secured hereby and Grantor and each such person or entity shall be deemed to have waived such proof and to have consented to the appointment of a receiver; or (iii) the filing of a notice of default; and the Grantor consents to such appointment. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by the Lender shall not disqualify a person from serving as receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Possession of the Property. For the purpose of procuring possession of the Property, Grantor hereby authorizes and empowers any attorney of any court of record in the Commonwealth of Pennsylvania or elsewhere, as attorney for Lender and all persons claiming under or through Lender, to sign an agreement for entering in any competent court an amicable action in ejectment for possession of the Property and to appear for and confess judgment against Grantor, and against all persons claiming under or through Grantor, for the recovery by Lender of possession of the Property, without any stay of execution, for which this Mortgage, or a copy of this Mortgage verified by affidavit, shall be a sufficient warrant; and thereupon a writ of possession may be issued forthwith, without any prior writ or proceeding whatsoever.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Unless otherwise required by applicable law, reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

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Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not effect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditures until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Unless otherwise provided by applicable law, any notice required to be given under this Mortgage shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage and notices pursuant to 42 Pa. C.S.A. Section 8143, et. seq., shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

ASSIGNMENT OF RENTS/LEASES. Assignment of Leases and Rents. Mortgagor does presently, absolutely and irrevocably GRANT, BARGAIN, SELL, ASSIGN, TRANSFER, CONVEY and CONFIRM, unto Mortgagee, as security for the payment, performance and discharge of the obligations, all of the Leases and Rents (if any), subject only to the License (as hereinafter defined): **TO HAVE AND TO HOLD** the Leases and the Rents unto Mortgagee; forever, and Mortgagor does hereby bind itself, its successors and assigns to warrant and forever defend the title to the Leases and the Rents unto Mortgagee against every Person whomsoever lawfully claiming or to claim the same or any part thereof; provided, however, that if Mortgagor shall pay (or cause to be paid) and perform and discharge (or cause to be performed and discharged) all of the obligations on or before the date on which the same are to be paid, performed and discharged, then this assignment shall terminate, and all rights, titles and interests conveyed pursuant to this assignment shall become vested in Mortgagor.

Revocable License.

Mortgagee hereby grants to Mortgagor a revocable license (the "License"), nonexclusive with the rights of Mortgagee reserved in Paragraphs (a), (c) and (d) hereof, to exercise and enjoy all incidences of the status of a lessor under the Leases and the Rents, including, without limitation, the right to collect, demand, sue for, attach, levy, recover and receive the Rents and to give proper receipts, releases and acquittances therefore. During the pendency of an Event of Default, Mortgagor hereby agrees to receive all Rents and hold the same as a trust fund to be applied, and to apply the Rents so collected, except to the extent otherwise provided in the Indenture, first to the payment, performance and discharge of the Obligations and then to the payment of the Impositions. Thereafter, Mortgagor may use the balance of the Rents collected in any manner not inconsistent with the Security Documents.

If an Event of Default shall occur and be continuing, the License shall immediately and automatically terminate without the necessity of any action by Mortgagee or any other Person, and Mortgagee shall have the right in such event to exercise the rights and remedies provided under this Mortgage or otherwise available to Mortgagee under applicable law. Upon demand by Mortgagee at any time that an Event of Default shall have occurred and be continuing, to the extent allowed by applicable law, Mortgagor shall promptly pay to Mortgagee all security deposits under the Leases and all Rents allocable to any period commencing from and after the occurrence of such Event of Default and during the period such Default shall be continuing. Any Rents received hereunder by Mortgagee shall be applied and disbursed to the payment, performance and discharge of the Obligations, subject to the terms of the Indenture; provided, however, that, subject to any applicable requirement of law, any security deposits actually received by Mortgagee shall be held, applied and disbursed as provided in the applicable Leases.

Mortgagee's Right to Receive and Collect Rents. Mortgagee shall have the right at any time, and even though no

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**MORTGAGE
(Continued)**

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default shall have occurred under this Mortgage and Assignment of Rents, to collect and receive the rents. For this purpose, Mortgagee is hereby given and granted the following rights, powers and authority:

Mortgagee may send notices to any and all tenants of the Mortgaged Premises advising them of this Assignment and directing all Rents to be paid directly to Mortgagee or Mortgagee's agent.

Mortgagee may enter upon and take possession of the Mortgaged Premises; demand, collect and receive from the tenants or from any other persons liable therefore, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Mortgaged Premises, including such proceedings as may be necessary to recover possession of the Mortgaged Premises; collect the Rents and remove any tenant or tenants or other persons from the Mortgaged Premises.

Mortgagee may enter upon the Mortgaged Premises to maintain the Mortgaged Premises and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Mortgaged Premises in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Mortgagee on the Mortgaged Premises.

Mortgagee may do any and all things to execute and comply with the laws of the Commonwealth of Pennsylvania and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Mortgaged Premises.

Mortgagee may rent or lease the whole or any part of the Mortgaged Premises for such term or terms and on such conditions as Mortgagee may deem appropriate.

Mortgagee may engage such agent or agents as Mortgagee may deem appropriate, either in Mortgagee's name or in Mortgagor's name, to rent and manage the Mortgaged Premises, including the collection and application of Rents.

Mortgagee may do all such other things and acts with respect to the Mortgaged Premises as Mortgagee may deem appropriate and may act exclusively and solely in the place and stead of Mortgagor and to have all of the powers of Mortgagor for the purposes stated above.

Mortgagee shall not be required to do any of the foregoing acts or things, and the fact the Mortgagee shall have performed one or more of the foregoing acts or things shall not require Mortgagee to do any other specific act or thing.

Application of Rents. All costs and expenses incurred by Mortgagee in connection with the Mortgaged Premises shall be for Mortgagor's account and Mortgagee may pay such costs and expenses from the Rents. Mortgagee, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Mortgagee which are not applied to such costs and expenses shall be applied to the indebtedness. All expenditures made by Mortgagee under this Assignment and not reimbursed from the Rents shall become a part of the indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

Enforcement of Leases. Mortgagor shall (a) submit any and all proposed material Leases that effect the Mortgagor's operations on the Mortgaged Premises (including subleases provided to Mortgagor for approval) to Mortgagee for approval prior to the execution thereof or consent thereto, as applicable, such consent not to be unreasonably conditioned, withheld or delayed; (b) duly and punctually perform and comply with any and all representations, warranties, covenants and agreements expressed as binding upon the lessor under any Lease; (c) except for a termination right granted to a tenant pursuant to the terms of a Lease, maintain each Lease in full force and effect during the term thereof; (d) provide Mortgagee with prompt notice of each notice of default sent to a tenant under a Lease, provide Mortgagee with prompt notice of each notice of default received from (or relating to) a tenant under a Lease, and otherwise promptly reasonably indicate that a material default or termination of a Lease may occur (other than by reason of the expiration of the term of such Lease); (e) appear in and defend any action or proceeding in any manner connected with any of the Leases; (f) deliver to Mortgagee true and complete copies of all Leases; and (g) deliver to Mortgagee all such further information, and execute and deliver to Mortgagee such further assurances and assignments, with respect to the Leases as Mortgagee may from time to time reasonably request. Without Mortgagee's prior written consent, which consent shall not be unreasonably withheld with respect to clause (iv) below, Mortgagor shall not (i) do or knowingly permit to be done anything to materially impair the value of any of the Leases; (ii) except for security or similar deposits, collect any of the Rent more than one (1) month in advance of the time when the same becomes due under the terms of any Lease; (iii) discount any future accruing Rents; (iv) amend, modify, accept the surrender of or terminate any of the Leases; or (v) assign or grant a security interest in or to the License or any of the Leases or Rents.

Direction to Tenants. Upon and at any time following the occurrence and during the continuance of an Event of Default, Mortgagor hereby authorizes and directs, and shall, at the direction of Mortgagee, further authorize and direct, in writing, the tenant under each Lease to pay directly to, or as directed by, Mortgagee all Rents accruing or due under its Lease, without proof to the tenant of the occurrence and continuance of such Event of Default. Mortgagor hereby authorizes the tenant under each Lease to rely upon and comply with any notice or demand from Mortgagee for payment of Rents to Mortgagee, and Mortgagor shall have no claim against any tenant for Rents paid by such tenant to Mortgagee pursuant to such notice or demand. All Rents actually collected by Mortgagee pursuant to this Paragraph (B)(c) shall be applied in accordance with the Indenture.

Appointment of Attorney-in-Fact.

Mortgagor hereby constitutes and appoints Mortgagee the true and lawful attorney-in-fact, coupled with an interest, of

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**MORTGAGE
(Continued)**

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Mortgagor and Mortgagee hereby confers upon Mortgagee the right, in the name, place and stead of Mortgagor, to, upon the occurrence and during the continuance of an Event of Default, demand, sue for, attach, levy, recover and receive any of the Rents and any premium or penalty payable upon the exercise by any third Person under any Lease of a privilege of cancellation originally provided in such Lease and to give proper receipts, releases and acquittances therefore and, after deducting expenses of collection, to apply the net proceeds as provided in the Indenture. Mortgagor hereby authorizes and directs any such third Person to deliver such payment to Mortgagee in accordance with this Paragraph (8), and Mortgagor hereby ratifies and confirms all that its said attorney-in-fact, the Mortgagee, shall do or cause to be done in accordance with this Mortgage and by virtue of the powers granted hereby. The foregoing appointment is irrevocable and continuing, and such rights, powers and privileges shall be exclusive in Mortgagee, and its successors and assigns, so long as any part of the Obligations remains unpaid or unperformed and undischarged, and until the commitments under the Indenture have been terminated.

Mortgagor hereby constitutes and appoints Mortgagee the true and lawful attorney-in-fact, coupled with an interest, of Mortgagor and Mortgagee hereby confers upon Mortgagee the right, in the name, place and stead of Mortgagor, to subject and subordinate at any time and from time to time any Lease or any part thereof to the lien, assignment and security interest of this Mortgage and to the terms hereof, or to any other mortgage, deed of trust, assignment or security agreement, or to any ground lease or surface lease, with respect to all or a portion of the Mortgaged Premises, or to request or require such subordination, where such reservation, option or authority was reserved to Mortgagor under any such Lease, or in any case where Mortgagor otherwise would have the right, power or privilege so to do. The foregoing appointment is irrevocable and continuing, and such rights, powers and privileges shall be exclusive in Mortgagee, and its successors and assigns, so long as any part of the Obligations remains unpaid or unperformed and undischarged and until the commitments under the Indenture have been terminated. Mortgagor hereby represents and warrants that it has not exercised, and no Person has the current right to exercise, any of the rights described in this Paragraph (8)(e)ll., and Mortgagor hereby covenants not to exercise (or appoint any other Person as attorney-in-fact to exercise) any such right, nor (except at Mortgagee's written request) to subordinate any such Lease to the lien of this Mortgage or to any other mortgage, deed of trust, assignment or security agreement or to any ground lease or surface lease.

No Liability of Mortgagee. Neither the acceptance hereof nor the exercise of the rights and remedies hereunder nor any other action on the part of Mortgagee or any Person exercising the rights of Mortgagee or any Holder hereunder shall be construed to: (a) be an assumption by Mortgagee or any such Person or to otherwise make Mortgagee or such Person liable or responsible for the performance of any of the obligations of Mortgagor under or with respect to the Leases or for any Rent, security deposit or other amount delivered to Mortgagor, provided that Mortgagee or any such Person exercising the rights of Mortgagee shall be accountable for any Rents, security deposits or other amounts actually received by Mortgagee or such Person, as the case may be; or (b) obligate Mortgagee or any such Person to take any action under or with respect to the Leases or with respect to the Mortgaged Premises, to incur any expense or perform or discharge any duty or obligation under or with respect to the Leases or with respect to the Mortgaged Premises, to appear in or defend any action or proceeding relating to the Leases or the Mortgaged Premises, to constitute Mortgagee as a mortgagee-in-possession (unless Mortgagee actually enters and takes possession of the Mortgaged Premises), or to be liable in any way for any injury or damage to Persons or property sustained by any Person in or about the Mortgaged Premises, other than to the extent caused by the bad faith, willful misconduct or gross negligence of Mortgagee or any Person exercising the rights of Mortgagee hereunder. In connection with its appointment and acting hereunder, Mortgagee is otherwise entitled to all rights, privileges, protections, benefits, immunities and indemnities provided to it as Trustee and Collateral Agent under the Security Documents.

Mortgagor's Indemnities. Mortgagor hereby agrees to protect, indemnify and hold harmless Mortgagee and of the Holders and each Indemnified Party related to Mortgagee or such other Holders from and against any and all Losses which Mortgagee or any such other Holders or Indemnified Party may incur under or by reason of this Paragraph (8), or for any action taken by Mortgagee or any such other Holder or Indemnified Party hereunder, or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Mortgagee or any such other Holders or Indemnified Party arising out of the Leases, including, without limitation, any claim by any third Person for credit on account of Rents paid to and received by Mortgagor, but not delivered to Mortgagee or its agents, representatives or employees, for any period under any Lease more than one (1) month in advance of the due date thereof. The foregoing indemnity shall include, in any case, such Loss as may result from the ordinary good faith negligence of Mortgagee or such other Holders or Indemnified Party, but not any such Loss that is caused by the bad faith, gross negligence or willful misconduct of Mortgagee or any such other Holders or Indemnified Party. In the event that Mortgagee or any of the other Holders or any Indemnified Party incurs any Losses covered by the indemnity set forth in this Paragraph (8)(f), the amount thereof, including reasonable attorneys' fees, with interest thereon at the Default Rate, shall be payable by Mortgagor to Mortgagee within ten (10) days after demand therefor, and shall be secured hereby and by all other security for the payment and performance of the Obligations, including, without limitation, the lien and security interest of this Mortgage. The liabilities of Mortgagor as set forth in this Paragraph (8)(f) shall survive the termination of this Mortgage and the repayment of the Obligations.

No Modification of Mortgagor's Obligations. Nothing herein contained shall modify or otherwise alter the obligation of Mortgagor to make prompt payment of all Obligations as and when the same become due, regardless of whether the

**MORTGAGE
(Continued)**

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Rents described in this Paragraph (8) are sufficient to pay the Obligations, and the security provided to Mortgagee pursuant to this Paragraph (8) shall be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Obligations.

ADVANCE MONEY MORTGAGE. (A) This Mortgage secures future advances made pursuant to the Note or Related Documents. Without limiting the foregoing, this Mortgage secures all advances made by Lender or Banks of any kind or nature described in 42 Pa. C.S.A. § 8144. (B) If Grantor sends a written notice to Lender which purports to limit the indebtedness secured by this Mortgage and to release the obligation of Lender to make any additional advances to or for the benefit of Grantor, such a notice shall be ineffective as to any future advances made: (1) to enable completion of the improvements on the Real Property for which the loan secured hereby was originally made; (2) to pay taxes, assessments, maintenance charges and insurance premiums; (3) for costs incurred for the protection of the Property or the lien of this Mortgage; (4) on account of expenses incurred by Lender by reason of a default of Grantor hereunder or under the Related Documents or under the Note; and (5) on account of any other costs incurred by Lender to protect and preserve the Property or the lien of this Mortgage. It is the intention of the parties hereto that any such advance made by Lender after any such notice by Grantor shall be secured by the lien of this Mortgage on the Property.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the Commonwealth of Pennsylvania.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of LANCASTER County, Commonwealth of Pennsylvania.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not effect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successor interests. The terms of this Mortgage shall be binding upon Grantor, and upon Grantor's heirs, personal representatives, successors, and assigns, and shall be enforceable by Lender and its successors and assigns.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful

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**MORTGAGE
(Continued)**

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money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Murphy Acquisition Group LLC and includes all co-signers and co-makers signing this Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Murphy Acquisition Group LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

Lender. The word "Lender" means Community First Fund as agent on behalf of Borough of Columbia, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated May 4, 2018, in the original principal amount of \$250,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is May 15, 2028.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accretions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security

**MORTGAGE
(Continued)**

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deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents: The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

THIS MORTGAGE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS MORTGAGE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GRANTOR:

MURPHY ACQUISITION GROUP LLC

By:

Donald C. Murphy (Seal)
Donald C. Murphy, Member of Murphy Acquisition Group LLC

By:

Brock L. Murphy (Seal)
Brock L. Murphy, Member of Murphy Acquisition Group LLC

CERTIFICATE OF RESIDENCE

I hereby certify, that the precise address of the mortgagee, Community First Fund, as agent on behalf of Borough of Columbia, herein is as follows:

P. O. Box 524, LANCASTER, PA 17608-0524

Mary C. Eckenrode
Attorney or Agent for Mortgagees

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF

Pennsylvania

)

COUNTY OF

Lancaster

) SS

)

This record was acknowledged before me on May 4, 2018 by Donald C. Murphy, Member of Murphy Acquisition Group LLC and Brock L. Murphy, Member of Murphy Acquisition Group LLC who represent that (he, she or they) are authorized to act on behalf of Murphy Acquisition Group LLC.

Mary C. Eckenrode
Signature of Notarial Officer

Notary Public in and for the State of

Pennsylvania

My commission expires

8/21/2020

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Mary C. Eckenrode, Notary Public
City of Lancaster, Lancaster County
My Commission Expires Aug. 21, 2020
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

05/08/2018 11:04:17 AM

Document #6395734

LANCASTER COUNTY

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(Continued)**

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INCFINPLIG03:FC TR-1910 PR-1

IN THE COURT OF COMMON PLEAS OF LANCASTER COUNTY, PENNSYLVANIA
PROTHONOTARY
CIVIL COVER SHEET

ENTERED AND FILED
PROTHONOTARY'S OFFICE
LANCASTER, PA
Electronically Filed
Mar 15 2019 12:36PM
Adrianne Smith

PLEASE LIST NAMES AND ADDRESSES OF ADDITIONAL PARTIES ON A SEPARATE SHEET.

ALL PARTY INFORMATION IS REQUIRED INCLUDING ZIP CODES. ALL PARTY INFORMATION MUST MATCH THE PLEADING. PLEASE DO NOT STAPLE THE COVER SHEET TO THE PLEADING. IF AN EVENT NEEDS TO BE SCHEDULED, A CAO SCHEDULING COVER SHEET MUST ALSO BE ATTACHED.

For Prothonotary Use Only:

DOCKET No: CI -

TYPE OF ACTION: Declaratory Judgment

PARTY INFORMATION

PLAINTIFF'S NAME: Columbia Concerned Citizens Associatoin

DEFENDANT'S NAME: Borough of Columbia

ADDRESS: 460 Chestnut St.
Columbia, PA 17512
*If confidential,
use 2nd sheet*

ADDRESS: 308 Locust St.
Columbia, PA 17512

CI-19-02441

MUNICIPALITY:

MUNICIPALITY:

TWP/BOROUGH: Columbia Borough

TWP/BOROUGH: Columbia Borough

DOB: (mm/dd/yyyy)

TELEPHONE #: (#####)

DOB: (mm/dd/yyyy)

TELEPHONE #: (#####)

FILING ATTORNEY / FILING PARTY INFORMATION

FIRM/OFFICE: Stock and Leader

FILING ATTORNEY/PARTY: Sarah L. Doyle

AOPC: (Attorney ID) #: 321149

ADDRESS: 221 W. Philadelphia St., Ste E600

CITY: York

STATE: PA

ZIP CODE: 17401-2994

TELEPHONE #: (717) 846-9800

EMAIL: sdoyle@stockandleader.com

(#####)

TAX LIEN INFORMATION

MUNICIPALITY:

MAP REFERENCE:

DEED BOOK:

DEED PAGE:

DEED DATE:

SALE PRICE:

TAX YEAR:

TAX LIEN AMOUNT:

PROPERTY DESCRIPTION:

PFA/SVPO/PFI INFORMATION

HEARING DATE:

SOCIAL SECURITY #: (Defendant - Last 4 digits)

POLICE DEPARTMENT:

PREVIOUS PETITIONS:

YES ☐

NO ☐

If 'YES', File Date:

Supreme Court of Pennsylvania

Court of Common Pleas Civil Cover Sheet

LANCASTER

County

ENTERED AND FILED
PROTHONOTARY'S OFFICE
LANCASTER, PA

For Prothonotary Use Only:

Electronically Filed

Mar 15 2019 12:36PM

Adrienne Smith

Docket No:

The information collected on this form is used solely for court administration purposes. This form does not supplement or replace the filing and service of pleadings or other papers as required by law or rules of court.

SECTION A

Commencement of Action:

- ☒ Complaint ☐ Writ of Summons ☐ Petition
☐ Transfer from Another Jurisdiction ☐ Declaration of Taking

Lead Plaintiff's Name:
Columbia Concerned Citizens Association

Lead Defendant's Name:
Borough of Columbia

Are money damages requested? ☐ Yes ☒ No

Dollar Amount Requested: ☐ within arbitration limits
(check one) ☒ outside arbitration limits

Is this a Class Action Suit? ☐ Yes ☒ No

Is this an MDJ Appeal? ☐ Yes ☒ No

Name of Plaintiff/Appellant's Attorney: Sarah L. Doyle, Esq.

☐ Check here if you have no attorney (are a Self-Represented [Pro Se] Litigant)

Nature of the Case: Place an "X" to the left of the **ONE** case category that most accurately describes your **PRIMARY CASE**. If you are making more than one type of claim, check the one that you consider most important.

TORT (do not include Mass Tort)

- ☐ Intentional
☐ Malicious Prosecution
☐ Motor Vehicle
☐ Nuisance
☐ Premises Liability
☐ Product Liability (does not include mass tort)
☐ Slander/Libel/ Defamation
☐ Other:

CONTRACT (do not include Judgments)

- ☐ Buyer Plaintiff
☐ Debt Collection: Credit Card
☐ Debt Collection: Other
☐ Employment Dispute: Discrimination
☐ Employment Dispute: Other
☐ Other:

CIVIL APPEALS

- Administrative Agencies
☐ Board of Assessment
☐ Board of Elections
☐ Dept. of Transportation
☐ Statutory Appeal: Other
☐ Zoning Board
☐ Other:

MASS TORT

- ☐ Asbestos
☐ Tobacco
☐ Toxic Tort - DES
☐ Toxic Tort - Implant
☐ Toxic Waste
☐ Other:

REAL PROPERTY

- ☐ Ejectment
☐ Eminent Domain/Condemnation
☐ Ground Rent
☐ Landlord/Tenant Dispute
☐ Mortgage Foreclosure: Residential
☐ Mortgage Foreclosure: Commercial
☐ Partition
☐ Quiet Title
☐ Other:

MISCELLANEOUS

- ☐ Common Law/Statutory Arbitration
☒ Declaratory Judgment
☐ Mandamus
☐ Non-Domestic Relations Restraining Order
☐ Quo Warranto
☐ Replevin
☐ Other:

PROFESSIONAL LIABILITY

- ☐ Dental
☐ Legal
☐ Medical
☐ Other Professional:

Updated 1/1/2011

Adrienne Smith

NOTICE

Pennsylvania Rule of Civil Procedure 205.5. (Cover Sheet) provides, in part:

Rule 205.5. Cover Sheet

(a)(1) This rule shall apply to all actions governed by the rules of civil procedure except the following:

- (i) actions pursuant to the Protection from Abuse Act, Rules 1901.1 et seq.
- (ii) actions for support, Rules 1910.1 et seq.
- (iii) actions for custody, partial custody and visitation of minor children, Rules 1915.1 et seq.
- (iv) actions for divorce or annulment of marriage, Rules 1920.1 et seq.
- (v) actions in domestic relations generally, including paternity actions, Rules 1930.1 et seq.
- (vi) voluntary mediation in custody actions, Rules 1940.1 et seq.

(2) At the commencement of any action, the party initiating the action shall complete the cover sheet set forth in subdivision (e) and file it with the prothonotary.

(b) The prothonotary shall not accept a filing commencing an action without a completed cover sheet.

(c) The prothonotary shall assist a party appearing pro se in the completion of the form.

(d) A judicial district which has implemented an electronic filing system pursuant to Rule 205.4 and has promulgated those procedures pursuant to Rule 239.9 shall be exempt from the provisions of this rule.

(e) The Court Administrator of Pennsylvania, in conjunction with the Civil Procedural Rules Committee, shall design and publish the cover sheet. The latest version of the form shall be published on the website of the Administrative Office of Pennsylvania Courts at www.pacourts.us.

CL-19-02441