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MORTGAGE AND SECURITY AGREEMENT
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ELAN ONE, a Maine business corporation having a usual place of business at Rural Route No. 1, Poland Spring, Maine (hereinafter, "Mortgagor"), for consideration paid, grants to **PRESIDENTIAL FINANCIAL CORPORATION of MASSACHUSETTS**, a Massachusetts business corporation having a usual place of business at 800 Hingham Street, 2 North, Rockland, Massachusetts ("Mortgagee"), with **MORTGAGE COVENANTS**, to secure Mortgagor's obligations to Mortgagee pursuant to Mortgagor's unconditional Guaranty of that certain Loan Agreement and Security Agreement and Demand Secured Promissory Note, and ancillary loan documents, dated November 30, 1992, from **Golden Ark Enterprises, Inc.** (the "Company") as Borrower/Debtor to Mortgagee as Lender/Secured Party, in the original principal amount of Two Hundred Fifty Thousand Dollars (**$250,000.00**), as well as all other, additional or replacement security agreements, guaranties, and promissory notes from either the Company or the Mortgagor to Mortgagee (hereinafter, all such agreements are referred to collectively as "Note"), with interest thereon as provided in the said Note, and to secure the performance of all covenants and agreements herein, those two (2) certain parcels of real property situated on **RFD #1** in the Town of **Poland Spring**, County of Androscoggin, State of **Maine**, as more fully described in Exhibit "A" attached hereto and by this reference made a part hereof, together with any and all improvements now or hereafter situated thereon.

Mortgagor also hereby grants to Mortgagee a security interest in all equipment (as defined in the Uniform Commercial Code), appliances, furnishings and fixtures (to the extent not part of the real estate) now or hereafter placed on the above described premises, or used in connection therewith, and the proceeds therefrom, and agrees to execute upon demand of Mortgagee all instruments necessary to create, perfect or continue such security interest, and in the event of default hereunder Mortgagor hereby grants Mortgagee full power and authority as attorney irrevocable of Mortgagor to execute, deliver and record and/or file such instruments. This Mortgage is also intended to be a Security Agreement and Financing Statement under the Uniform Commercial Code. Said land, improvements, equipment, appliances, furnishings and fixtures are hereinafter referred to as the "Premises."

Mortgagor covenants and agrees with Mortgagee:

(1) to perform all of the covenants and agreements contained in the Note;

(2) to pay, at least ten (10) days before due, all taxes, charges for water, sewer and other municipal services, and assessments, whether or not assessed against Mortgagor, if applicable or related in any way to the Premises, or any interest in the Premises of Mortgagor, Mortgagee or any other person or organization, or the debt obligations or disbursement or application of the proceeds

therefrom, excluding, however, any income or corporation excise tax of Mortgagee; upon demand by Mortgagee, to pay to Mortgagee on each day that payments are required by the terms of the Note, a sum determined by the Mortgagee to be sufficient to provide the aggregate fund adequate to pay such taxes, charges and assessments at least ten (10) days before the same become delinquent, and, in addition, to pay to Mortgagee on demand any balance necessary to pay in full said taxes, charges and assessments at least ten (10) days before the date when they become due and payable. Such sums shall not bear interest and may be commingled with the general assets of Mortgagee; Mortgagee shall not be required to account for any profits resulting from its use thereof; and such sums are held by Mortgagee for payment of such taxes, charges and assessments and/or any other obligations of Mortgagor hereunder. Mortgagor shall furnish to Mortgagee tax bills upon receipt by Mortgagee and at least fifteen (15) days before the same shall be due and payable. Mortgagor grants Mortgagee, in the event of a default hereunder, full power and authority as attorney irrevocable of Mortgagor to apply for and prosecute claims for the abatement of taxes and to collect and endorse any checks issued on account of Mortgagor and to retain and apply the same to the debt secured hereby;

(3) to keep the Premises insured against fire and all other casualties and contingencies, including flood, in such amounts and for such periods as Mortgagee may from time to time require; to deposit all insurance policies or certificates thereof with Mortgagee forthwith after the binding of such insurance and to deliver to Mortgagee new policies or certificates thereof for any insurance about to expire at least ten (10) days before such expiration. All such insurance policies shall be first payable in case of loss to Mortgagee and shall be written by such companies, on such terms, in such form and for such periods and amounts as Mortgagee shall from time to time designate or approve, and shall provide that they shall not be cancelled or amended without at least thirty (30) days prior written notice to the Mortgagee. Mortgagor hereby grants Mortgagee full power and authority as attorney irrevocable of Mortgagor to cancel or transfer such insurance, to collect and endorse any checks issued in the name of Mortgagor and to retain any premium and to apply the same to the debt secured hereby;

(4) to maintain the Premises at all times in as good repair and condition as the same now are or hereafter may be put, damage from casualty expressly not excepted, permitting no waste or strip of the Premises, nor any violation of any law, by-law, ordinance, restriction, regulation, order or code affecting the Premises or the use thereof; and not to remove or alter any of the improvements, equipment, appliances, furnishings and fixtures constituting part of

the Premises without the prior written consent of Mortgagee; and to permit Mortgagee, its agents and employees reasonable opportunity to enter upon the Premises for the purpose of inspecting the condition of the Premises and compliance with the covenants contained herein;

(5) to observe and perform all the obligations imposed upon Mortgagor under any leases of the Premises, and not to do or permit to be done anything which would impair the security of such leases to Mortgagee, not to cancel or change any terms, conditions or covenants of any leases of the Premises or any part thereof without the prior written consent of Mortgagee, nor to execute any leases providing for payment of rent for more than one month in advance, nor to receive rent from all or any part of the Premises for more than one (1) month in advance without the prior written consent of Mortgagee;

(6) when and to the extent practicable, to occupy the entire Premises, or cause the same to be occupied by Mortgagor's lessees (which term shall include licensees and concessionaires) and, upon demand of Mortgagee, to assign and deliver to Mortgagee any or all leases of the Premises or any part thereof, or Mortgagor's right to receive any or all rents and other income reserved in such leases, provided, however, Mortgagor shall retain the right to receive such rents until the occurrence of a default under any instrument executed in connection with this transaction. Such assignments shall be in form satisfactory to Mortgagee, and Mortgagor hereby grants Mortgagee full power and authority as attorney irrevocable of Mortgagor to make, execute, acknowledge, deliver and record such assignments. After any default by Mortgagor hereunder or under the terms of such assignments, Mortgagee shall be entitled to modify and otherwise deal with all such leases with the same power and discretion which Mortgagee would have if it were the lessor thereof, and Mortgagee shall be entitled to collect all of the rents and other income reserved in such leases, to collect and endorse any checks issued in the name of Mortgagor and to apply the same to the debt secured hereby, and after foreclosure Mortgagee shall not be liable to account to Mortgagor for rents or other income thereafter accruing, providing however, that any such assignments shall also provide that Mortgagor may have and retain such rents and profits until such default occurs; and Mortgagee shall further have the right to subordinate this Mortgage and its rights hereunder to any lease or leases of the Premises, and upon execution and recording of any instrument by Mortgagee which purports to effect such subordination, this Mortgage shall be subordinate to the lease or leases referred to in such instrument with the same force and effect as if such lease or leases had been executed and delivered prior to the execution, delivery and recording of this Mortgage;

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(7) when and to the extent practicable, to furnish Mortgagee, from time to time, within a reasonable time after its demand, a true and complete statement of the annual operating expenses and income of the Premises, and financial statements of the principal owners and any guarantors and endorsers, such statements to be prepared in accordance with generally accepted principles of accounting consistently applied and to be in a form satisfactory to Mortgagee;

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(8) that if the Premises or any part thereof shall be damaged or destroyed by fire or other hazard insured against or if the Premises or any portion thereof shall be taken by eminent domain, no settlement on account of any loss or damage shall be made without the consent of Mortgagee, provided, however, in the event of a default hereunder, Mortgagee may, at its option settle any claims with the insurers or taking authority, and any proceeds from insurance or damages for such taking, as the case may be, shall be paid to Mortgagee, and Mortgagor hereby grants to Mortgagee full power and authority as attorney irrevocable of Mortgagor to settle such claims and to collect and endorse any checks issued in the name of Mortgagor. Mortgagee, in its discretion, may either apply any insurance proceeds or eminent domain award against the debt secured hereby (in which case Mortgagor's obligations hereunder to restore such damage to the Premises as may have been caused by such fire, other hazard or taking, shall terminate), or release such portion of the proceeds to Mortgagor as is necessary to restore the premises to their prior condition; insofar as is practicable upon such terms and conditions as Mortgagee deems appropriate, and apply the balance thereof, if any, to the debt secured hereby; provided, however, that if any insurer of the Premises denies liability, Mortgagor shall not be relieved of its obligation to restore the Premises;

(9) if Mortgagor shall default in the performance or observance of any covenant or agreement herein or in the Note contained, Mortgagee may apply toward the debt secured hereby any deposit, payment or any sum due from Mortgagee to Mortgagor without first enforcing any other rights of Mortgagee against Mortgagor, or against any endorser or guarantor of the Note or against the Premises;

(10) if Mortgagee shall become involved in any action or course of conduct with respect to the Note, this mortgage, the Premises, or other security for the debt secured hereby, in order to protect its interest therein, including without limitation: Mortgagee's commencement and prosecution of foreclosure proceedings, involvement in bankruptcy proceedings concerning Mortgagor, entering the Premises, care and management thereof or defending or participating as a party in any action at law or in equity brought by Mortgagor or any other person or organization

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with respect to the Premises (or other security for the debt secured hereby), Mortgagor shall reimburse Mortgagee for all charges, costs and expenses incurred by Mortgagee in connection therewith, including without limitation reasonable attorneys' fees (which term Mortgagor agrees shall mean, for purposes of this Mortgage, an amount equal to 15% of the then outstanding balance due to Mortgagee under the Note) and an additional reasonable fee to compensate Mortgagee for overhead and personnel salaries and wages attributable to undertaking such actions or conduct;

(11) that any foreclosure sale of the Premises, the Premises and any combination or all of the other security for the debt secured hereby may be offered for sale for one total price, and Mortgagor assigns the proceeds of such sale to Mortgagee, and the proceeds of such sale may be accounted for in one account without distinction between the items of security or without assigning to them any proportion of such proceeds, Mortgagor hereby waiving the application of any doctrine of marshaling. Mortgagee may, in the exercise of the power of sale herein given, sell the Premises and said other security in parts or parcels, said sale may be held from time to time, and the power shall not be fully executed until all of the Premises and said other security not previously sold shall have been sold; if surplus proceeds are realized from a foreclosure sale, Mortgagee shall not be liable for any interest thereon pending distribution of such proceeds by Mortgagee;

(12) that in the event of redemption after foreclosure proceedings have been commenced, the Mortgagee shall be entitled to collect all costs, charges and expenses, including reasonable attorneys' fees, incurred up to the time of redemption. In case of foreclosure sale the Mortgagee shall be entitled to retain out of monies arising from such sale all sums then secured by this mortgage, whether then or thereafter payable including all costs, charges or expenses including reasonable attorneys' fees, incurred or sustained by the Mortgagee by reason of any default in the performance or observance of any condition of this Mortgage;

(13) that Mortgagee shall be entitled, but not obligated, to cure any default of Mortgagor hereunder and shall be reimbursed by Mortgagor for all costs, charges and expenses, including without limitation reasonable attorneys' fees, incurred in connection therewith, and that all sums for which Mortgagee may be entitled to reimbursement shall be added to the principal sum of the debt secured hereby, and shall be payable on demand of Mortgagee, whether or not the remaining principal balance of the Note has been declared due and payable.

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(14) in the event the legal or beneficial ownership of the Premises, or any portion thereof or interest therein, becomes vested in anyone other than Mortgagor, the entire mortgage debt shall, at the option of Mortgagee, become due and payable on demand together with all prepayment charges to which Mortgagee would be entitled under the Note or by law if the Note were paid in full at the time of demand, provided, however, that Mortgagee may, without notice to Mortgagor, deal with Mortgagor's successor or successors in interest with reference to the Mortgage and the debt secured hereby in the same manner as with Mortgagor without thereby in any way violating or discharging Mortgagor's liability or obligations with respect to this Mortgage or the debt secured hereby. No sale of the Premises and no forbearance on the part of Mortgagee or extension of the time for the payment of the debt secured hereby or any other indulgence given by Mortgagee shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, nor the priority of this Mortgage either in whole or in part, notice of such forbearance, extension or other indulgence being hereby expressly waived;

(15) that Mortgagor shall not:

(a) create, permit to be created or suffer any encumbrance on the Premises (except the lien for unpaid real estate taxes and betterment assessments prior to the commencement of interest and penalties thereon);

(b) if Mortgagor is other than a natural person or persons, liquidate, terminate its existence, or dissolve;

(c) file a petition under any chapter of the Federal Bankruptcy Act, or institute any other proceeding under any law relating to bankruptcy, bankruptcy reorganization, insolvency or relief of debtors, or consent to an assignment, composition, or similar arrangement for the benefit of Mortgagor's creditors, or consent to appointment of a receiver for any of Mortgagor's property.

(16) if this Mortgage is at any time subject or subordinate to another mortgage, Mortgagor shall not modify, amend, or extend such prior mortgage, or the debt or any obligation secured thereby, without the written consent of Mortgagee. Mortgagor shall provide Mortgagee with written notice of any default under such prior mortgage, any default under such prior mortgage or any obligations secured thereby shall be a default hereunder, and Mortgagee shall be entitled, but not obligated, to cure said default, as

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provided in Paragraph 13; and

(17) any notice, demand or other communication from Mortgagee to Mortgagor shall be deemed satisfactorily given upon depositing the same in writing in the United States mail, postage prepaid by registered or certified mail, addressed to Mortgagor (or any one of them if there be more than one) at the address set forth herein.

In the event of a failure of Mortgagor to pay the Note in accordance with its terms or of breach of any other covenant, condition or agreement contained in this Mortgage remaining uncured for a period in excess of ten (10) days (except that no grace period shall be permitted for a default under Section 15(b) and 15(c) above) or any breach in the covenants, conditions or agreements in any instrument given in connection with the Note and debt secured hereby; or if any involuntary proceedings shall be commenced against Mortgagor or any general partner or Mortgagor under any chapter of the Federal Bankruptcy Act or other law relating to bankruptcy, bankruptcy reorganization, insolvency or relief of debtors, and such petition or proceeding is not dismissed within thirty (30) days from the date on which it is filed or instituted; or if Mortgagor becomes insolvent or is unable to pay its debts as they become due, or in the event any guarantor of Mortgagor's obligations or any endorser of the Note shall:

(a) if other than a natural person, liquidate, terminate its existence, or dissolve.

(b) file or institute a petition (or have filed or instituted against such guarantor or endorser a petition which is not dismissed within thirty (30) days under any chapter of the Federal Bankruptcy Act or any proceeding under any law relating to bankruptcy, bankruptcy reorganization, insolvency or relief of debtors, or consent to an assignment, composition or similar arrangement of a receiver for any of the property; or such creditors or endorsers; or

(c) become insolvent or unable to pay debts when due;

then at the option of Mortgagee, the entire debt secured hereby, together with all prepayment charges to which Mortgage would be entitled under the Note or by law if the Note were prepaid in full, shall be due and payable. The failure at any time of the Mortgagee to exercise this option shall not constitute a waiver of the right to exercise the right at any other time.

In case any provision of the Note or this Mortgage or any instrument executed by any person or organization in connection therewith, shall be found unenforceable or invalid for any reason, the enforcement of any other provision shall be deemed modified to the extent necessary to be enforceable or if such modification is not practicable, such provision shall be deemed deleted from this Mortgage. The Note and this Mortgage shall be construed and enforced in accordance with the laws of the State of Maine.

This Mortgage is upon the **STATUTORY CONDITION** and upon the further condition that all covenants and agreements of Mortgagor in the Note, this Mortgage, and all other instruments executed in connection therewith shall be kept and fully performed, and upon any breach of the same Mortgagee shall have the **STATUTORY POWER OF SALE.**

The word "Mortgagor" as used herein means Mortgagor named herein, whether one or several, and also means any subsequent owner or owners of the equity of redemption of the Premises, and all of the covenants and agreements of Mortgagor herein contained shall be binding upon Mortgagor, its successors, legal representatives, and permitted assigns, and shall be joint and several if more than one person constitute Mortgagor. The word "Mortgagee" as used herein means Mortgagee named herein and any subsequent holder or holders of this Mortgage.

Mortgagor hereby certifies, represents, and warrants to Mortgagee as follows: (1) all the proceeds of the loan secured by this Mortgage and Security Agreement shall be used for business or commercial purposes; (2) none of the proceeds of the loan secured by this Mortgage and Security Agreement shall be used for personal, family, household or agricultural purposes; and (3) the execution of this Mortgage and Security Agreement has been duly authorized by the Mortgagor Corporation.

Notwithstanding anything to the contrary contained hereinabove, it is understood that this Mortgage and Security Agreement is subject to a prior mortgage and encumbrances of record as set forth on Exhibit A hereto (the "Prior Mortgages"), and Mortgagor represents and warrants to Mortgagee that Mortgagor has good, clear, record and marketable title to the Premises, free and clear of all liens, security interests, and encumbrances other than the said Prior Mortgages.

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This Mortgage and Security Agreement is executed at Rockland, Massachusetts, under seal, this 30th day of November, 1992.

Mortgagor:

ELAN ONE

Witness

By: Joseph J. Ricci

Its: President and Treasurer

COMMONWEALTH of MASSACHUSETTS

Plymouth, ss. November 30, 1992

Then personally appeared the aforenamed Joseph J. Ricci, President and Treasurer of Elan One as aforesaid, and acknowledged the foregoing instrument to be their free act and deed, and the duly-authorized and free act and deed of the said Corporation, before me,

SEAL

, Notary Public

My commission expires:

George P. Goohia, Notary Public
My Commission Expires
March 2, 1995

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EXHIBIT A

to Mortgage and Security Agreement
from Brian One as Mortgager to Presidential
Financial Corporation of Massachusetts as Mortgagee

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

Parcel One. Beginning at an iron post set in a stone wall at the corner of the second parcel of land described in a deed from Hiram Ricker & Sons to Else R. Strauss dated May 10, 1949, recorded in the Androscoggin County Registry of Deeds in Book 626, Page 152, and thence the line runs in a northeasterly direction along the boundary line between the land hereby conveyed and said property conveyed to Strauss, a distance of five hundred and eighty (580') feet to a point; thence the line runs in a southeasterly direction maintaining a course parallel to the aforementioned stone wall a distance of one thousand five hundred (1,500') feet to a point; thence the line runs in a southwesterly direction maintaining a course parallel to the first course above described to the road leading from the North Raymond Road, so-called to the former Strauss premises knows as Rolly's Camp; thence the line runs in a northwesterly direction along said road leading to Rolly's Camp, so-called, to the entrance of said Rolly's Camp marking the southeasterly end of the aforementioned stone wall and the property line between the property hereby conveyed and other property formerly of said Strauss known as Rolly's Camp; thence the line runs in a northwesterly direction along the second parcel of land described herein being a stone wall a distance of three hundred thirty-two (332') feet to the iron post marking the point of beginning.

Parcel Two. Beginning at a point about one-quarter mile northerly from the main road leading from Range Hill to North Raymond at a point where an old road leads to the number six (6) lot and at a point where said old wood road joins with the land described as Parcel One above; thence the line runs in a northwesterly direction along said first parcel and along land formerly of Hiram Ricker & Sons to an iron post set in the ground near the shore of Upper Range Pond; thence the line runs in a southwesterly direction roughly parallel with the shore of said pond a distance of four hundred eighty-two (482') feet, more or less in a straight line and to a point on the shore marked by an iron stake set in the ground, which iron stake designates the most northerly corner of a triangular parcel of land conveyed by these Grantors to Robert D. MacKerron by deed dated January 24, 1974, to be recorded herewith in said Registry of Deeds; thence the line runs in a general southeasterly direction along said triangular parcel conveyed to Robert D. MacKerron(said line to be marked by a wood and wire fence) a distance of two hundred sixteen (216') feet, more or less, to a stake and stones designating the most southerly corner of said triangle and the most easterly corner of a parcel of land conveyed by these Grantors to said Robert D. MacKerron by deed dated September 26,

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

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

Subject to a prior mortgage to Peoples Heritage Savings Bank dated October 9, 1985, in the original principal amount of $350,000.00, recorded with the Androscoggin County Registry of Deeds in Book 1862, at Page 234.

Subject also to a prior mortgage now held by the Estate of Gerald E. Davidson, c/o Robert A. Vigoda, Esq., dated March 2, 1990, in the original principal amount of $1,800,000.00, recorded with said Deeds in Book , at Page .

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ATTEST:
Jeannine D. Rogerow
REGISTER OF DEEDS
92 DEC -7 AM 11:45
ANDROSCOGGIN, SS.
REGISTRY OF DEEDS