

MORTGAGE AGREEMENT

THIS MORTGAGE AGREEMENT (the "Agreement") is entered into as of this 15th day of October, 2025 (the "Effective Date"), by and between HARBOR NATIONAL BANK, with its principal place of business at 10 Market Street, Wilmington, DE 19801 ("Lender"), and JOHN B. SMITH, an individual residing at 789 Pine Road, Newark, DE 19711 ("Borrower").

RECITALS Borrower desires to borrow and Lender agrees to lend, subject to the terms and conditions set forth below. The Loan will be evidenced by a promissory note (the "Note") secured by this Mortgage encumbering the Property described herein.

AGREEMENT NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

1. DEFINITIONS. "Property" means the real property and improvements located at 321 Birch Lane, Newark, Delaware 19711, more particularly described in Exhibit A attached hereto.
2. LOAN; INTEREST RATE. Lender shall make to Borrower a loan in the principal amount of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00). The Loan shall bear interest at a fixed rate of four and one-quarter percent (4.25%) per annum (the "Interest Rate"). Interest shall accrue on the outstanding principal balance and be payable monthly in arrears on the first day of each month.
3. TERM; REPAYMENT; PREPAYMENT. The Loan shall have a term of thirty (30) years and shall be amortizing with monthly payments of principal and interest sufficient to fully amortize the Loan over thirty (30) years. Borrower may prepay the Loan, in whole or in part, at any time without penalty. Borrower may request reamortization following any substantial prepayment; any administrative fee for such reamortization shall not exceed One Hundred Fifty Dollars (\$150.00).
4. FEES; CLOSING COSTS. Borrower shall pay customary closing costs including title insurance premiums, escrow fees, recording charges, appraisal fees (estimated \$525.00), and reasonable attorney's fees when necessary and properly documented. Lender shall provide Borrower with a good faith estimate of closing costs at least three (3) business days prior to closing and an itemized final statement at closing.
5. ESCROW FOR TAXES AND INSURANCE. Borrower shall establish and maintain an escrow account for payment of property taxes and hazard insurance. Lender shall provide annual statements accounting for escrow activity and shall not require any escrow cushion in excess of amounts permitted by applicable law.
6. DEFAULT; NOTICE; LOSS MITIGATION. An Event of Default shall occur if Borrower fails to make any payment within thirty (30) days after the due date or materially breaches any covenant in this Mortgage. Lender shall provide written notice of any default and afford Borrower at least thirty (30) days to cure the default prior to accelerating the Loan or initiating foreclosure proceedings, except in cases of fraud or intentional misrepresentation. Lender will consider loss mitigation options where reasonably available.
7. INSURANCE; MAINTENANCE; TAXES. Borrower shall maintain hazard, fire and other customary insurance and shall timely pay all property taxes and assessments. Lender may obtain force-placed insurance only after providing notice and opportunity to cure; charges for such insurance shall be reasonable and itemized.
8. ASSIGNMENT. Either party may assign its interests under this Mortgage; provided that any assignee of Lender shall notify Borrower in writing of the assignment and the contact information of the assignee within thirty (30) days of such assignment.

9. DISPUTE RESOLUTION. The parties agree to attempt in good faith to resolve any dispute by negotiation and, if unsuccessful, mediation prior to litigation. If mediation fails, the parties may proceed to a court of competent jurisdiction. Nothing herein shall prevent either party from seeking injunctive relief where appropriate.

10. ATTORNEYS' FEES. In the event of a dispute arising out of this Mortgage, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs as determined by the court.

11. REPRESENTATIONS AND WARRANTIES. Borrower represents that Borrower has the legal capacity to execute this Mortgage and that all information supplied to Lender in connection with the Loan is true and correct. Lender represents that it is duly organized under applicable law and has authority to make the Loan.

12. GOVERNING LAW. This Mortgage shall be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Mortgage as of the Effective Date first above written.

LENDER: HARBOR NATIONAL BANK

By: _____ Name: Sarah L. Warren Title: Senior Vice President

BORROWER: JOHN B. SMITH

By: _____ Name: John B. Smith Title: Borrower