

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 25, 2016

Manhattan Bridge Capital, Inc.
MBC Funding II Corp.
(Exact Name of Registrant as Specified in Charter)

New York (Manhattan Bridge Capital, Inc.)
New York (MBC Funding II Corp.)
(State or Other Jurisdiction
of Incorporation)

000-25991
001-37726
(Commission File Number)

11-3474831
81-0758358
(IRS Employer Identification No.)

60 Cutter Mill Road, Great Neck, NY
(Address of Principal Executive Offices)

11021
(Zip Code)

(516) 444-3400
(Registrant's telephone number,
including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Section Act (17 CFR 230.425).
 - Soliciting material pursuant to Rule 14A-12 under the Exchange Act (17 CFR 240.14a-12).
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240-14d-2(b)).
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).
-

This Current Report on Form 8-K is filed jointly by Manhattan Bridge Capital, Inc. (“MBC”) and its wholly-owned subsidiary MBC Funding II Corp. (“Funding”), in connection with the items set forth below.

Item 1.01: Entry into a Material Definitive Agreement.

On April 25, 2016, in a firm commitment underwritten public offering, Funding sold \$6,000,000 aggregate principal amount of its 6.00% Senior Secured Notes due April 22, 2026 (the “Notes”). The offering was made pursuant to a registration statement under the Securities Act of 1933, as amended, which became effective on April 15, 2016. The Notes are secured by a first priority lien on all of Funding’s assets, including, primarily, mortgage notes, mortgages and other transaction documents entered into in connection with first mortgage loans originated and funded by MBC, which Funding acquired from MBC pursuant to an asset purchase agreement. Mortgages with an outstanding principal balance of \$5,530,000 were purchased with the net proceeds from the sale of the Notes and the balance was acquired as a contribution by MBC to the capital of Funding. The total outstanding principal amount of the mortgage loans held by Funding is approximately \$7.2 million and Funding is required to maintain a debt coverage ratio (assets: to principal amount of Notes outstanding) of 1.2:1.0 until the Notes are paid in full. In addition, MBC has guaranteed Funding’s obligations under the Notes and has secured that guaranty with a pledge of all the outstanding shares of Funding.

In connection with the issuance and sale of the Notes, MBC and Funding, in their capacities as Guarantor and Issuer, respectively, entered into an Indenture with Worldwide Stock Transfer, LLC, who will act in the capacity of Indenture Trustee. The material terms of the Indenture are as follows:

Issue Price:	\$1,000.00 per Note.
Maturity Date:	April 22, 2026 unless redeemed earlier in accordance with the terms of the Indenture.
Interest:	Interest on the Notes will accrue at the rate of 6% per annum commencing on May 16, 2016 and will be payable monthly, in arrears, in cash, on the 15 th day of each calendar month, commencing June 2016.
Guaranty:	Funding’s obligations under the Notes are guaranteed by MBC.
Rank:	The Notes are senior secured obligations of Funding.
Security:	The Notes are secured by all of the assets of Funding, which consist primarily of a pool of mortgage loans, each of which is secured by first priority liens on real estate, and cash. The aggregate principal amount of the mortgage loans owned by Funding plus its cash on hand must always equal at least 120% of the outstanding principal amount of the Notes.
Right of Redemption:	Funding may redeem the Notes, in whole or in part, at any time after April 22, 2019 upon at least 30 days prior written notice to the Noteholders. The redemption price will be equal to the outstanding principal amount of the Notes redeemed plus the accrued but unpaid interest thereon up to, but not including, the date of redemption, without penalty or premium; provided that (i) if the Notes are redeemed on or after April 22, 2019 but prior to April 22, 2020, the redemption price will be 103% of the principal amount of the Notes redeemed and (ii) if the Notes are redeemed on or after April 22, 2020 but prior to April 22, 2021, the redemption price will be 101.5% of the principal amount of the Notes redeemed plus, in either case, the accrued but unpaid interest on the Notes redeemed up to, but not including, the date of redemption.

Noteholders' Right of Redemption:	Each Noteholder has the right to cause Funding to redeem his, her, or its Notes on April 22, 2021. The redemption price will be equal to the outstanding principal amount of the Notes redeemed plus the accrued but unpaid interest up to, but not including, the date of redemption, without penalty or premium. In order to exercise this right, the Noteholder must notify Funding, in writing, no earlier than November 22, 2020 and no later than January 22, 2021. All Notes that are subject to a properly and timely notice will be redeemed on April 22, 2021. Any Noteholder who fails to make a proper and timely election will be deemed to have waived his, her or its right to have his, her or its Notes redeemed prior to the maturity date.
Obligation to Redeem:	Funding is obligated to offer to redeem the Notes if there occurs a "change of control" with respect to MBC, Funding or a subsidiary of Funding or if there occurs a sale by MBC, Funding or a subsidiary of Funding or MBC of any of either company's respective assets unless, in connection with an asset sale, the consideration paid for the assets is not less than their fair market value and, to the extent the consideration is paid in cash, the net proceeds are reinvested in the business of the seller. The redemption price in connection with a "change of control" will be 101% of the principal amount of the Notes redeemed plus accrued but unpaid interest thereon up to, but not including, the date of redemption. The redemption price in connection with an asset sale will be the outstanding principal amount of the Notes redeemed plus accrued but unpaid interest thereon up to, but not including, the date of redemption.
Events of Default and Remedies:	<ul style="list-style-type: none"> • The failure to pay principal on any Note after it becomes due and payable; • the failure to pay interest on any Note or any other fees for a period of 30 days after they become due and payable; • a failure to observe or perform certain material covenants, conditions or agreements in the Indenture immediately upon such failure, and a failure to observe or perform certain other material covenants, conditions or agreements in the Indenture but only after notice of failure from the Indenture Trustee or from the holders of 25% in aggregate principal amount of the then outstanding Notes and such failure is not cured within 30 days; • any judgment is rendered or filed against MBC or Funding or with respect to any of our respective assets or which could reasonably be expected to have a material adverse effect (as defined in the Indenture); • any representation or warranty made by MBC or Funding in the Indenture or any related agreement, document or financial or other statement shall prove to have been incorrect or misleading in any material respect on the date when made or deemed to have been made; • any default, termination or material breach of the Indenture or any other agreement entered into in connection with this offering, including any agreement creating or granting a lien or other security interest in the Collateral, as well as any guaranty entered into in connection with the Notes or if any guarantor attempts to terminate, challenge the validity of or its liability under the related guaranty agreement or guarantor pledge agreement; • certain events of bankruptcy, insolvency or reorganization with respect to MBC or Funding; • any transfer of Collateral other than as explicitly permitted under the Indenture; • any default under the Indenture; • we fail to make a payment on any material indebtedness when due or any default or event of default has occurred under the Webster Credit Agreement or any extension or replacement thereof or successor thereto; • the cessation of our business or the business of Funding; • the Indenture requires that Funding give immediate notice to the Indenture Trustee upon the occurrence of an event of default, unless it has been cured or waived. The Indenture Trustee may then provide notice to the Noteholders or withhold the notice if the Indenture Trustee determines in good faith that withholding the notice is in your best interest, unless the default is a failure to pay principal or interest on any Note; and • if an event of default occurs, the Indenture Trustee, at the written direction of the holders of at least 30% in principal amount of the outstanding Notes, must declare the unpaid principal and all accrued but unpaid interest on the Notes to be immediately due and payable unless Noteholders holding Notes representing a majority of the outstanding principal amount of Notes rescind that direction in writing.

In addition, MBC delivered to the Indenture Trustee a Continuing Guaranty and a Pledge Agreement, pursuant to which it pledged all of its equity interest in Funding to secure its guaranty of Funding's obligations under the Notes. The Pledge Agreement permits the Indenture Trustee to exercise on behalf of the Indenture Trustee and the Noteholders all rights and remedies as are available to a secured creditor under applicable law, subject to any limitations in the Indenture.

Finally, in order to obtain the necessary consent from Webster Business Credit Corporation ("Webster"), which holds a first priority lien on all of MBC's assets, (i) Funding guaranteed all of MBC's obligations to Webster, (ii) Webster and MBC executed and delivered an amendment to the Credit Agreement that governs MBC's \$14 million line of credit with Webster (the "Webster Credit Line") to make certain modifications to the Credit Agreement necessary to consummate the sale of the Notes and (iii) Webster and the Indenture Trustee, in its capacity as Indenture Trustee under the Indenture, entered into an Intercreditor Agreement, which among other things, prohibits each of them from exercising their rights under their respective guaranties until the other creditor's obligations have been paid in full; *provided, however*, the Indenture Trustee is not precluded from exercising its right under the Pledge Agreement upon an event of default by Funding even if the Webster Credit Line is still outstanding.

The foregoing description of the various agreements executed and delivered in connection with the issuance and sale of the Notes does not purport to be complete and is qualified in their entirety by reference to the full text of such agreements filed as Exhibits 10.1 through 10.7 to this Current Report on Form 8-K.

Item 8.01: Other Events.

On April 25, 2016, MBC and Funding issued a press release announcing the issuance and sale of the Notes, which press release is Exhibit 99.1, hereto.

Item 9.01: Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Indenture, dated as of April 25, 2016, among Manhattan Bridge Capital, Inc., MBC Funding II Corp and Worldwide Stock Transfer, LLC.
10.2	Asset Purchase agreement, dated as of April 25, 2016, between Manhattan Brdige Capital, Inc. and MBC Funding II Corp.
10.3	Continuing Guaranty of Manhattan Bridge Capital Inc. dated April 25, 2016.
10.4	Pledge Agreement, dated as of April 25, 2016, between Manhattan Bridge Capital and Worldwide Stock Transfer, LLC.
10.5	Amendment No. 2 to Credit Agreement, dated April 25, 2016, among Manhattan Bridge Capital, Inc., DAG Funding Solutions Inc. and Webster Business Credit Corporation.
10.6	Guaranty dated April 25, 2016 of MBC Funding II Corp.
10.7	Intercreditor Agreement, dated as of April 25, 2016, between Webster Business Credit Corp and Worldwide Stock Transfer, LLC
99.1	Press Release, dated April 25, 2016.

* * * * *

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

MANHATTAN BRIDGE CAPITAL, INC.

Dated: April 27, 2016

By: /s/ Assaf Ran
Name: Assaf Ran
Title: President and Chief Executive Officer

MBC FUNDING II CORP.

Dated: April 27, 2016

By: /s/ Assaf Ran
Name: Assaf Ran
Title: President and Chief Executive Officer

INDENTURE

DATED AS OF APRIL 25, 2016

BETWEEN

MBC FUNDING II CORP.,

AS ISSUER,

MANHATTAN BRIDGE CAPITAL, INC.

AND

WORLDWIDE STOCK TRANSFER, LLC,

AS INDENTURE TRUSTEE

SENIOR SECURED NOTES

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	2
Section 1.01	Definitions	2
Section 1.02	Rules of Construction	22
ARTICLE II	THE NOTES	23
Section 2.01	Forms; Denominations	23
Section 2.02	Execution, Authentication, Delivery and Dating	23
Section 2.03	Certification of Receipt of the Collateral	24
Section 2.04	Repurchase or Transfer and Exchange of Mortgage Loans for Document Defects and Breaches of Representations and Warranties	25
Section 2.05	The Notes Generally	26
Section 2.06	Registrar and Paying Agent	27
Section 2.07	Registration of Transfer and Exchange of Notes	28
Section 2.08	CUSIP Number	29
Section 2.09	Deposit of Moneys	29
Section 2.10	Book-Entry Notes	29
Section 2.11	Mutilated, Destroyed, Lost or Stolen Notes	31
Section 2.12	Noteholder Lists	31
Section 2.13	Persons Deemed Owners	32
Section 2.14	Payment Account	32
Section 2.15	Payments on the Notes	32
Section 2.16	Final Payment Notice	34
Section 2.17	Compliance with Withholding Requirements	35
Section 2.18	Cancellation	35
Section 2.19	Tax Treatment of the Notes and the Issuer	35
Section 2.20	Representations and Warranties with Respect to the Issuer	35
Section 2.21	Representations and Warranties With Respect to Mortgaged Properties and Mortgage Loans	38
ARTICLE III	SATISFACTION AND DISCHARGE	45
Section 3.01	Satisfaction and Discharge of Indenture	45
Section 3.02	Application of Trust Money	46
ARTICLE IV	EVENTS OF DEFAULT; REMEDIES	47
Section 4.01	Events of Default	47
Section 4.02	Acceleration of Maturity; Rescission and Annulment	49
Section 4.03	Collection of Indebtedness and Suits for Enforcement by Indenture Trustee	50
Section 4.04	Remedies	51
Section 4.05	Application of Money Collected	52

Section 4.06	Limitation on Suits,	53
Section 4.07	Unconditional Right of Noteholders to Receive Principal and Interest	53
Section 4.08	Restoration of Rights and Remedies	53
Section 4.09	Rights and Remedies Cumulative	54
Section 4.10	Delay or Omission Not Waiver	54
Section 4.11	Control by Requisite Majority	54
Section 4.12	Waiver of Past Defaults	54
Section 4.13	Undertaking for Costs	55
Section 4.14	Waiver of Stay or Extension Laws	55
Section 4.15	Sale of Collateral	55
Section 4.16	Action on Notes	57
ARTICLE V	THE INDENTURE TRUSTEE	57
Section 5.01	Certain Duties and Responsibilities	57
Section 5.02	Notice of Defaults	60
Section 5.03	Certain Rights of Indenture Trustee	60
Section 5.04	Compensation; Reimbursement; Indemnification	62
Section 5.05	Representations and Warranties of Indenture Trustee	64
Section 5.06	Merger, Conversion, Consolidation or Succession to Business	65
Section 5.07	Resignation and Removal; Appointment of Successor	65
Section 5.08	Acceptance of Appointment by Successor	66
Section 5.09	Unclaimed Funds	67
Section 5.10	Illegal Acts	67
Section 5.11	Communications by the Indenture Trustee	67
Section 5.12	Separate Indenture Trustees and Co-Trustees	67
ARTICLE VI	REPORTS TO NOTEHOLDERS	69
Section 6.01	Reports to Noteholders and Others	69
Section 6.02	Access to Certain Information	70
ARTICLE VII	REDEMPTION	71
Section 7.01	Optional Redemption	71
Section 7.02	Purchase of Notes at Holders' Option	73
ARTICLE VIII	SUPPLEMENTAL INDENTURES; AMENDMENTS	74
Section 8.01	Supplemental Indentures or Amendments Without Consent of Noteholders	
Section 8.02	Supplemental Indentures With Consent	75
Section 8.03	Delivery of Supplements and Amendments	76
Section 8.04	Execution of Supplemental Indentures, Etc	76
ARTICLE IX	COVENANTS; WARRANTIES	77
Section 9.01	Maintenance of Office or Agency	77
Section 9.02	Existence and Good Standing	77
Section 9.03	Payment of Taxes and Other Claims	77

Section 9.04	Title to the Collateral; Lien	78
Section 9.05	Protection of Collateral Pool	78
Section 9.06	Limitation on Sales of Assets	79
Section 9.07	Repurchase at the Option of Holders upon Change of Control	82
Section 9.08	Covenants	83
Section 9.09	Statement as to Compliance	84
Section 9.10	Reports by Independent Public Accountants	85
Section 9.11	Reports to the Indenture Trustee	85
Section 9.12	Mergers and Consolidations	87
Section 9.13	Litigation	87
Section 9.14	Notice of Default	87
Section 9.15	Cooperate in Legal Proceedings	87
Section 9.16	Insurance Benefits	87
Section 9.17	Costs of Enforcement	88
Section 9.18	Performance of Issuer's Duties by MBC	88
Section 9.19	Payment of Debts	88
Section 9.20	Capitalization of the Issuer	88
Section 9.21	Employees	88
Section 9.22	Performance by the Issuer	88
Section 9.23	Use of Proceeds	89
Section 9.24	Other Rights, Etc	89
Section 9.25	Books and Records	89
Section 9.26	Overhead Expenses	89
ARTICLE X	COVENANTS REGARDING MORTGAGE LOANS	89
Section 10.01	Collection of Mortgage Loan Payments; Collection Account; Release Account	89
Section 10.02	Withdrawals From the Collection Account	90
Section 10.03	Investment of Funds in the Collection Account	91
Section 10.04	Mortgage Loans	92
Section 10.05	Compliance With Laws	93
Section 10.06	Other Rights, Etc	93
Section 10.07	Right to Release Any Portion of the Collateral Pool	93
Section 10.08	Mortgage Loan Matters	94
Section 10.09	Perfection of Security Interest	95
ARTICLE XI	TRANSFERS AND EXCHANGES OF MORTGAGE LOANS; RELEASE OF MORTGAGE LOANS	96
Section 11.01	Exchange of Mortgage Loans	96
Section 11.02	Release of Mortgaged Property by the Issuer	97
Section 11.03	Mortgage Loan Substitution	97
Section 11.04	Release, Sale and Exchange of Defaulted Mortgage Loans	98
Section 11.05	Servicing Agent	99
Section 11.06	Servicing	101
Section 11.07	Termination of Servicing Duties	102

ARTICLE XII	COSTS	102
Section 12.01	Performance at the Issuer's Expense	102
ARTICLE XIII	MISCELLANEOUS	103
Section 13.01	Execution Counterparts	103
Section 13.02	Compliance Certificates and Opinions, Etc	103
Section 13.03	Form of Documents Delivered to Indenture Trustee	103
Section 13.04	No Oral Change	104
Section 13.05	Acts of Noteholders	104
Section 13.06	Computation of Percentage of Noteholders	105
Section 13.07	Notice to the Indenture Trustee, the Issuer and Certain Other Persons	105
Section 13.08	Notices to Noteholders; Notification Requirements and Waiver	105
Section 13.09	Successors and Assigns	106
Section 13.10	Interest Charges; Waivers	106
Section 13.11	Severability Clause	106
Section 13.12	Governing Law	106
Section 13.13	WAIVER OF JURY TRIAL	107
Section 13.14	Effect of Headings and Table of Contents	107
Section 13.15	Benefits of Indenture	107
Section 13.16	Trust Obligation	107
Section 13.17	Inspection	107
Section 13.18	Method of Payment	108
Section 13.19	Trust Indenture Act Controls	108
Section 13.20	Intercreditor Agreement	108

Exhibits

Exhibit A	Mortgage Loan Schedule
Exhibit B-1	Form of Global Senior Secured Note
Exhibit B-2	Form of Definitive Global Senior Secured Note
Exhibit C	Form of Interim Receipt
Exhibit D	Form of Receipt of Collateral
Exhibit E	Form of Transferor Certificate
Exhibit F	List of Authorized Signatories
Exhibit G	Form of Trustee Report
Exhibit H	Form of Servicer Notice

INDENTURE, dated as of April 25, 2016, between MBC FUNDING II CORP., a New York corporation, as issuer, MANHATTAN BRIDGE CAPITAL, INC., a New York corporation, and WORLDWIDE STOCK TRANSFER, LLC, a New Jersey limited liability company, not in its individual capacity, but solely as Indenture Trustee under this Indenture.

PRELIMINARY STATEMENT

The Issuer (as defined herein) has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Senior Secured Notes (collectively, the “Notes”), to be issued pursuant to this Indenture.

All things necessary to make the Notes, when the Notes are executed by the Issuer, authenticated by the Authenticating Agent and delivered by the Indenture Trustee hereunder and duly issued by the Issuer, the valid and legally binding obligations of the Issuer enforceable in accordance with their terms, and to make this Indenture a valid and legally binding agreement of the Issuer enforceable in accordance with its terms, have been done.

GRANTING CLAUSE

The Issuer hereby Grants to the Indenture Trustee on the applicable Transfer Date, as applicable, for the benefit of the Indenture Trustee and the Noteholders, all of the Issuer’s right, title and interest in and to the assets of the Issuer (individually, the “Collateral” and, collectively, the “Collateral Pool”), including, without limitation, (a) all Receivables; (b) all general intangibles; (c) all contract rights, rights of payment which have been earned under a contract right, instruments, investment property, documents, chattel paper, warehouse receipts, deposit accounts, money and securities; (d) all Mortgage Loan Collateral and all payments required thereunder on and after such Transfer Date, as applicable; (e) all Securities; (f) all Leasehold Interests; (g) all commercial tort claims; (h) any guarantees of and security for the Mortgagor Customers’ obligations under the Mortgage Loans, including any security deposits thereunder; (i) all of the Issuer’s rights (but none of its obligations) under the Asset Transfer Agreements; (j) the Collection Account, the Payment Account and any other accounts established under the Transaction Documents for purposes of receiving, retaining and distributing amounts received in respect of the Collateral Pool and making payments to the Holders of the Notes and making distributions to the Holders of the Notes, and all funds as may from time to time be deposited therein; (k) all present and future claims, demands and causes of action in respect of the foregoing; (l) all additional amounts due to the Issuer from any Mortgagor Customer relating to the Receivables, (m) if and when obtained by the Issuer, all real and personal property of third parties in which the Issuer has been granted a lien or security interest as security for the payment or enforcement of Receivables, (n) all supporting obligations that secure payment or performance of any account, chattel paper, document, general intangible, instrument or investment property, (o) all Extraordinary Receipts, (p) any other goods, personal property or real property now owned or hereafter acquired in which the Issuer has expressly granted a security interest or may in the future grant a security interest to the Indenture Trustee hereunder, or in any amendment or supplement hereto or thereto, or under any other agreement between the Indenture Trustee and the Issuer and (q) any and all indebtedness owing to the Issuer and any and all Collateral securing such indebtedness; (r) all of the Issuer’s ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by the Issuer or in which it has an interest), computer programs, tapes, disks and documents relating to clauses (a) through (q) hereof; and (s) all proceeds of the foregoing of every kind and nature whatsoever, including, without limitation, all proceeds of the conversion thereof, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, rights to payment of any and every kind and other forms of obligations and receivables, insurance proceeds (including hazard, flood and credit insurance), security agreements, documents, eminent domain proceeds, condemnation proceeds, tort claim proceeds, instruments and other property that at any time constitute all or part of or are included in the proceeds of the foregoing.

The foregoing Grants are made in trust to secure the payment of principal of and interest on, and any other amounts owing in respect of, the Notes, and to secure compliance with the provisions of this Indenture, all as provided in this Indenture.

GENERAL COVENANT

IT IS HEREBY COVENANTED AND DECLARED that the Notes are to be authenticated by the Authenticating Agent and delivered by the Indenture Trustee on the Closing Date, that the Collateral is to be held by or on behalf of the Indenture Trustee and that moneys in or from the Collateral Pool are to be applied by the Indenture Trustee for the benefit of the Noteholders, subject to the further covenants, conditions and trusts hereinafter set forth, and the Issuer does hereby represent and warrant, and covenant and agree, to and with the Indenture Trustee, for the equal and proportionate benefit and security of each Noteholder, as follows:

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions.

Whenever used in this Indenture, including in the Preliminary Statement, the Granting Clause and the General Covenant hereinabove set forth, the following words and phrases, unless the context otherwise requires, shall have the meanings specified in this Section 1.01.

“**1933 Act**”: The Securities Act of 1933, as amended, and the rules, regulations and published interpretations of the SEC promulgated thereunder from time to time.

“**1939 Act**”: The Trust Indenture Act of 1939, as amended, and the rules, regulations and published interpretations of the SEC promulgated thereunder from time to time.

“**1940 Act**”: The Investment Company Act of 1940, as amended, and the rules, regulations and published interpretations of the SEC promulgated thereunder from time to time.

“**Account Control Agreement**”: An agreement with respect to a deposit account or a securities account, in form and substance satisfactory to the Indenture Trustee, pursuant to which the institution at which such account is maintained agrees to follow the instructions or entitlement orders, as the case may be, of the Indenture Trustee with respect thereto.

“**Accrual Period**”: With respect to the Notes and any Payment Date, the period from and including the immediately preceding Payment Date (or, with respect to the initial Accrual Period, from and including the May 16, 2016) to, but excluding, such Payment Date.

“**Act**”: As defined in Section 13.05.

“**Affiliate**”: With respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**ALTA**”: The American Land Title Association.

“**Applicable Laws**”: As defined in Section 10.05(a).

“**Appraised Value**”: With respect to a Mortgaged Property, the value set forth in an appraisal made in connection with the origination of the related Mortgage Loan as the value of such Mortgaged Property.

“**Asset Sale**”: Any direct or indirect sale, conveyance, transfer, lease (that has the effect of a disposition) or other disposition (including, without limitation, any merger, consolidation or sale/leaseback transaction or upon any condemnation, eminent domain or similar proceedings) to any Person other than the Issuer, MBC or their respective wholly-owned subsidiaries, in one transaction or a series of related transactions, of:

- (i) any Capital Stock of any subsidiary;
- (ii) any assets of the Issuer or MBC or any of their respective subsidiaries which constitute substantially all of an operating unit or line of business of the applicable transferor; or
- (iii) any other assets or asset (including, without limitation, any Mortgage Loans or intellectual property) of the Issuer or MBC;

in each case, other than:

- (1) sales of property or equipment that, in the reasonable determination of the Issuer, MBC or any such subsidiary, as the case may be, has become worn out, obsolete or damaged or otherwise unsuitable for use in connection with the business of the Issuer, MBC or such subsidiary;
- (2) with respect to MBC, any transaction between or among MBC and one or more of its subsidiaries, but not including a sale of assets by the Issuer to MBC; or
- (3) any transaction constituting a Change of Control.

“**Asset Purchase Agreement**”: The Asset Purchase Agreement dated as of the Closing Date between MBC and the Issuer, pursuant to which MBC shall transfer (whether by sale or contribution) to the Issuer Eligible Mortgage Loans on the Closing Date and may from time to time transfer (whether by sale or contribution) to the Issuer Eligible Mortgage Loans after the Closing Date.

“**Authenticating Agent**”: As defined in Section 2.02(b).

“**Authorized Officer**”: With respect to the Issuer, any Person who is authorized to act for the Issuer and who is identified on the list delivered by the Issuer to the Indenture Trustee on the Closing Date (as such list may be modified or supplemented from time to time thereafter).

“**Authorized Persons**”: As defined in Section 5.03(p).

“**Available Amount**”: The Available Amount for any Payment Date will consist of (a) all amounts received in respect of the Collateral Pool during the related Collection Period, (b) all amounts on deposit in the Collection Account on the related Determination Date, including amounts earned, if any, on the investment of funds on deposit in the Collection Account and the Release Account during the related Collection Period, (c) Unscheduled Proceeds, (d) amounts received on account of payments under any Mortgage Loan Guaranties, and (e) amounts received on account of payments under the Guaranty, which amounts Indenture Trustee shall promptly deposit into the Collection Account to the extent received from the Guarantor under the Guaranty, and amounts received in connection with a Redemption Payment; provided, however, that the following amounts will be excluded from Available Amount: (i) amounts on deposit in the Release Account and not transferred to the Collection Account for such Payment Date and (ii) amounts withdrawn from the Collection Account to reimburse the Indenture Trustee for any unreimbursed expenses.

“**Best’s**”: Best’s Key Rating Guide, as the same shall be amended from time to time.

“**Board of Directors**”: With respect to any Person, (a) in the case of any corporation, the board of directors of such Person, (b) in the case of any limited liability company, the board of managers, if any, of such Person, (c) in the case of any partnership, the Board of Directors of the general partner of such Person and (d) in any other case, the functional equivalent of the foregoing.

“**Book-Entry Custodian**”: Initially, the Indenture Trustee and thereafter, such other bank or trust company as the Indenture Trustee shall appoint pursuant to Section 2.10(a).

“**Book-Entry Note**”: Any Note registered in the name of the Depository or its nominee.

“**Business Day**”: Any day other than a Saturday, a Sunday or a day on which banking institutions are authorized or obligated by law or executive order to remain closed in New York, New York or any other city in which the principal office of the Issuer or the Indenture Trustee’s Office is located.

“ **Capital Stock** ”: Any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) corporate stock or other equity participations, including partnership interests, whether general or limited, in any Person, including any Capital Stock which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over Capital Stock of any other class in such Person and any right or interest which is classified as equity in accordance with GAAP, but excluding any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“ **Cash** ”: Coin or currency of the United States or immediately available federal funds, including such funds delivered by wire transfer.

“ **Change of Control** ” means the occurrence of any of the following events:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of Voting Stock representing 50% or more of the total voting power of all outstanding Voting Stock of the Issuer, MBC or any of its subsidiaries; or

(b) the Issuer or MBC consolidates with, or merges with or into, another Person (other than with or into the Issuer, MBC or a wholly-owned subsidiary of the Issuer or MBC) other than any such transaction where immediately after such transaction the Person or Persons that “beneficially owned” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) immediately prior to such transaction, directly or indirectly, Voting Stock representing 50% or more of the total voting power of all outstanding Voting Stock of the Issuer, MBC or any of its subsidiaries “beneficially own or owns” (as so determined), directly or indirectly, Voting Stock representing 50% or more of the total voting power of all outstanding Voting Stock of the surviving Person;

(c) MBC, directly or indirectly through its subsidiaries, sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets (determined on a consolidated basis) to any Person (other than the Issuer, MBC or a wholly owned subsidiary of the Issuer or MBC), other than any such transaction where immediately after such transaction the Person or Persons that “beneficially owned” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) immediately prior to such transaction, directly or indirectly, Voting Stock representing 50% or more of the total voting power of all outstanding Voting Stock of the Issuer, “beneficially own or owns” (as so determined), directly or indirectly, Voting Stock representing 50% or more of the total voting power of all outstanding Voting Stock of the transferee Person; or

(d) during any consecutive two-year period, the Continuing Directors cease for any reason to constitute a majority of the Board of Directors of the Issuer, MBC or any such subsidiary; or

(e) the adoption of a plan of liquidation or dissolution of the Issuer or MBC.

“ **Change of Control Date** ”: As defined in Section 9.07(a).

“ **Change of Control Offer** ”: As defined in Section 9.07(a).

“ **Change of Control Purchase Date** ”: As defined in Section 9.07(a).

“ **Change of Control Purchase Price** ”: As defined in Section 9.07(b).

“ **Closing Date** ”: April 25, 2016.

“ **Code** ”: The Internal Revenue Code of 1986, as amended.

“ **Collateral** ”: As defined in the Granting Clause hereto.

“ **Collateral Assignment** ”: A collateral assignment by a Mortgagor Customer to the Issuer of all rents, issues and profits of the related Mortgaged Property.

“ **Collateral Defect** ”: As defined in Section 2.04(a).

“ **Collateral Pool** ”: As defined in the Granting Clause hereto.

“ **Collateral Transfer** ”: Any voluntary or involuntary sale, transfer, exchange, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record).

“ **Collection Account** ”: The segregated account or accounts created and maintained by the Issuer pursuant to Section 10.01(b) and, in each case, pledged to the Indenture Trustee for the benefit of the Noteholders, which shall be entitled “MBC Funding II Corp., Blocked Collection Account”.

“ **Collection Period** ”: With respect to any Payment Date, the period commencing on the day immediately following the preceding Determination Date (or, in the case of the initial Payment Date, commencing immediately following the Closing Date) and ending on and including the related Determination Date.

“ **Condemnation Proceeds** ”: All proceeds received in connection with any condemnation or eminent domain proceeding with respect to any Mortgaged Property other than proceeds applied to the restoration of such Mortgaged Property or released to the related Mortgagor Customer.

“ **Continuing Directors** ”: As of any date of determination with respect to any Person, any member of the Board of Directors of such Person who was (a) a member of such Board of Directors on the Closing Date or (b) nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

“ **Control Person** ”: With respect to any Person, any other Person that constitutes a “controlling person” within the meaning of Section 15 of the 1933 Act.

“ **Default** ”: Any event which is, or after notice, or direction of the Requisite Majority or lapse of time would become, an Event of Default with respect to the Notes.

“ **Defaulted Mortgage Loan** ”: A Mortgage Loan with respect to which a Mortgage Loan Payment is overdue for more than 90 consecutive days (without taking into account the required giving of notices under such Mortgage Loan).

“ **Definitive Note** ”: As defined in Section 2.10(a).

“ **Department of Labor Regulations** ”: Regulations at 29 C.F.R. 2510.3-101.

“ **Depository** ”: The Depository Trust Company or any successor depository hereafter named as contemplated by Section 2.08. The nominee of the initial Depository, for purposes of registering such Notes that are Book-Entry Notes, is Cede & Co. The Depository shall at all times be a “clearing corporation” as defined in Section 8-102(4) of the Uniform Commercial Code of the State of New York and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act.

“ **Depository Participant** ”: A broker, dealer, bank or other financial institution or other Person for whom from time to time the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

“ **Designated Participation Loan** ”: Any Mortgage Loan (a) with respect to which participations have been sold or which the Issuer own less than 100% and (b) in aggregate principal amount of not more than \$4,000,000 as of the Closing Date.

“ **Determination Date** ”: As to any Payment Date, the 4th Business Day preceding such Payment Date.

“ **Determination Date Report** ”: As defined in Section 9.11(a).

“ **Document Defect** ”: As defined in Section 2.03(e).

“ **Early Amortization Period** ”: An Early Amortization Period will commence as of any Determination Date if an Event of Default, after giving effect to any grace period, shall have occurred and shall not have been cured or waived in accordance with the terms hereof.

“ **Eligible Account** ”: Any of (a) a segregated account maintained with a federal- or state- chartered depository institution or trust company, the long-term deposit or long-term unsecured debt obligations of which (or of such institution’s parent holding company) are rated “AA-” or better by S&P, if the deposits are to be held in the account for more than 30 days, or the short- term deposit or short-term unsecured debt obligations of which (or of such institution’s parent holding company) are rated “A-1” by S&P if the deposits are to be held in the account for 30 days or less, in any event at any time funds are on deposit therein, or (b) a segregated trust account maintained with a federal- or state-chartered depository institution or trust company acting in its fiduciary capacity, which, in the case of a state-chartered depository institution or trust company is subject to regulations regarding fiduciary funds on deposit therein substantially similar to 12 C.F.R. § 9.10(b), and which, in either case, has a combined capital and surplus of at least \$50,000,000 and is subject to supervision or examination by federal or state authority; provided, that in the event that any of the accounts no longer qualifies as an Eligible Account under this definition, the Issuer shall promptly, and in no event later than thirty (30) calendar days following such account failing to qualify as an Eligible Account, direct the Indenture Trustee to remit all funds in such account to a specified Eligible Account. Eligible Accounts may bear interest.

“ **Eligible Mortgage Loans** ”: Mortgage Loans secured by a first mortgage lien on real property, (a) as to which the representations and warranties in Section 2.21 are correct, and (b) as to which the Mortgage Loan File has been delivered to Indenture Trustee; provided that, in no event shall (i) any Eligible Mortgage Loan be a security for purposes of any securities or blue- sky laws, and (ii) any Defaulted Mortgage Loan or Designated Participation Loan be an Eligible Mortgage Loan.

“ **Embargoed Person** ”: As defined in Section 2.20(n).

“ **Environmental Laws** ”: Any and all local, state, federal or other governmental authority, statute, ordinance, code, order, decree, law, rule or regulation pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Resource Conservation and Recovery Act, as amended, the Emergency Planning and Community Right-to-Know Act of 1986, as amended, the Hazardous Substances Transportation Act, as amended, the Solid Waste Disposal Act, as amended, the Clean Water Act, as amended, the Clean Air Act, as amended, the Toxic Substance Control Act, as amended, the Safe Drinking Water Act, as amended, the Occupational Safety and Health Act, as amended, any state super-lien and environmental statutes and all rules and regulations adopted in respect to the foregoing laws whether presently in force or coming into being and/or effectiveness hereafter.

“ **ERISA** ”: The Employee Retirement Income Security Act of 1974, as amended.

“ **Event of Default** ”: As defined in Section 4.01.

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“ **Exchanged Loan** ” or “ **Exchanged Loans** ”: A Mortgage Loan or Mortgage Loans that are exchanged for a Qualified Substitute Loan or Qualified Substitute Loans, in each case, in a transaction with a third party or MBC and subject to the conditions and limitations described in this Indenture.

“ **Extraordinary Receipts** ”: Any cash proceeds received by the Issuer not in the ordinary course of business, including, without limitation, (a) foreign, United States, state or local tax refunds, (b) judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (c) condemnation awards (and payments in lieu thereof), (d) indemnity payments and (e) any adjustment received in connection with any purchase price in respect of an acquisition.

“**Fair Market Value**”: At any time, with respect to any Mortgage Loan, a price determined by Issuer in accordance with the Servicing Standard to be the most probable price which such Mortgage Loan should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. In making any such determination, the Issuer may obtain an MAI appraisal of the related Mortgaged Property and shall assume the consummation of a sale as of a specified date and the passing of title from the seller to the buyer under conditions whereby: (a) the buyer and the seller are typically motivated; (b) both parties are well informed or well advised, and acting in what they consider their best interests; (c) payment is made in terms of cash in United States dollars or in financial arrangements comparable thereto; and (d) the price represents the normal consideration for such Mortgaged Property unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

“**FDIC**”: Federal Deposit Insurance Corporation or any successor.

“**FHLMC**”: The Federal Home Loan Mortgage Corporation, or any successor thereto.

“**Final Payment Date**”: With respect to the Notes, the Payment Date on which the final payment on the Notes is made hereunder by reason of all principal, interest and other amounts due and payable on the Notes having been paid.

“**FNMA**”: The Federal National Mortgage Association, or any successor thereto.

“**Foreclosure Proceeding**”: Any proceeding, non-judicial sale or power of sale or other proceeding (judicial or non-judicial) for the foreclosure, sale or assignment of any Mortgaged Property or Mortgage Loan or any other Collateral under any Mortgage.

“**GAAP**”: Such accounting principles as are generally accepted in the United States.

“**Governmental Authority**” shall mean any nation or government, any state or other political subdivision thereof or any entity exercising the legislative, judicial, regulatory or administrative functions of or pertaining to a government.

“**Grant**”: To mortgage, pledge, bargain, sell, warrant, alienate, demise, convey, assign, transfer, create and grant a security interest in and right of set-off against, deposit, set over and confirm. A Grant of Collateral shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including, without limitation, the immediate and continuing right to claim for, collect, receive and give receipt for principal and interest payments in respect of such Collateral and all other moneys and proceeds payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise, and generally to do and receive anything which the granting party is or may be entitled to do or receive thereunder or with respect thereto.

“**Guarantor**” shall mean any Person who may hereafter guarantee payment or performance of the whole or any part of the Issuer’s obligations under this Indenture, the Notes or any other Transaction Document.

“**Guaranty**” shall mean any guaranty of the payment or performance of the whole or any part of Issuer’s obligations under this Indenture, the Notes or any other Transaction Document, in whole or in part, executed at any time by a Guarantor in favor of the Indenture Trustee for the ratable benefit of the Noteholders.

“**Hazardous Substances**”: Any hazardous and/or toxic, dangerous and/or regulated, substances, wastes, materials, raw materials which include hazardous constituents, pollutants or contaminants including without limitation, petroleum, tremolite, anthlophyllie, actinolite or polychlorinated biphenyls and any other substances or materials which are included under or regulated by Environmental Laws or which are considered by scientific opinion to be otherwise dangerous in terms of the health, safety and welfare of humans.

“**Indenture**”: This instrument as originally executed or as it may be supplemented or amended from time to time by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

“**Indenture Trustee**”: Worldwide Stock Transfer, LLC, a New Jersey limited liability company, in its capacity as trustee under this Indenture, or its successor in interest, or any successor trustee appointed as provided in this Indenture.

“**Indenture Trustee Fee**”: With respect to any Determination Date, an amount on a monthly basis equal to the amount set forth in a fee agreement between Indenture Trustee and the Issuer.

“**Indenture Trustee’s Office**”: The corporate trust office of the Indenture Trustee at which at any particular time this Indenture shall be administered, which office at the date of the execution of this Indenture is located at One University Plaza, Suite 505, Hackensack, New Jersey 07601, Attention: Jonathan Gellis, or at such other address as the Indenture Trustee or Note Registrar may designate from time to time.

“**Independent**”: When used with respect to any specified Person, any such Person who (a) is in fact independent of the Indenture Trustee, the Issuer and any and all Affiliates thereof, (b) does not have any direct financial interest in or any material indirect financial interest in any of the Indenture Trustee, the Issuer or any Affiliate thereof, and (c) is not connected with the Indenture Trustee, the Issuer or any Affiliate thereof as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions; provided, however, that a Person shall not fail to be Independent of the Indenture Trustee or the Issuer or any Affiliate thereof merely because such Person is the beneficial owner of 2% or less of any class of securities issued by the Indenture Trustee, the Issuer or any Affiliate thereof, as the case may be. The Indenture Trustee may rely, in the performance of any duty hereunder, upon the statement of any Person contained in any certificate or opinion that such Person is Independent according to this definition.

“**Initial Principal Balance**”: \$6,000,000.

“**Insurance Proceeds**”: Proceeds paid under any Property Insurance Policy, to the extent such proceeds are not applied to the restoration of the related Mortgaged Property in accordance with the related Mortgage Loan.

“**Interested Person**”: The Issuer, MBC or an Affiliate of any such Person.

“**Issuer**”: MBC Funding II Corp., a New York corporation.

“**Issuer Order**”: A written order signed in the name of the Issuer by a Responsible Officer.

“**Issuer Request**”: A written request signed in the name of the Issuer by a Responsible Officer.

“**Issuer’s Office**”: The principal office of the Issuer, located at 60 Cutter Mill Road, Suite 205, Great Neck, New York 11021, or at such other address as the Issuer may designate from time to time.

“**Leasehold Interests**” shall mean all of the Issuer’s right, title and interest in and to any real property owned by a Person other than the Issuer, whether as tenant, lessee, licensee, operator or otherwise.

“**Legal Requirements**”: With respect to each Mortgaged Property, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting such Mortgaged Property or any part thereof, or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto.

“**Letter of Representations**”: With respect to the Notes, the Letter of Representations, dated the Closing Date, among the Depository, the Indenture Trustee and the Issuer.

“**Liquidation Proceeds**”: All net proceeds realized by the Issuer in respect of the purchase or sale of a Mortgage Loan.

“**LTV**”: With respect to any Mortgage Loan, the ratio of the original outstanding principal amount of such Mortgage Loan to (a) in the case of a Mortgage Loan the proceeds of which were used to acquire the related Mortgaged Property, the lesser of (i) the Appraised Value of the related Mortgaged Property at origination or (ii) if such Mortgaged Property was purchased within 12 months of the origination of such Mortgage Loan, the purchase price of such Mortgaged Property and (b) in the case of a Mortgage Loan the proceeds of which were used to finance construction of the related Mortgaged Property, the related construction costs.

“**MAI**”: A designation signifying that the designee is a Member of the Appraisal Institute.

“**Mandatory Principal Payment**”: With respect to each Payment Date, an amount equal to the result of (a) 120% of the Outstanding Principal Balance as of the last Business Day of the most recently completed calendar month preceding such Payment Date, minus (b) the sum of the aggregate principal amount of Eligible Mortgage Loans plus amounts on deposit in the Collection Account and other deposit accounts of the Issuer subject to Account Control Agreements, in each case as of such last Business Day; provided that if such result is less than zero, the Mandatory Principal Payment for such Payment Date shall be zero.

“**Maturity**”: With respect to any Note, the date as of which the principal of and interest on such Note has become due and payable as herein provided, whether on the Final Payment Date, by acceleration or otherwise.

“**MBC**”: Manhattan Bridge Capital, Inc., a New York corporation.

“**Mortgage**”: With respect to any Mortgaged Property, a mortgage (or deed of trust or deed to secure debt), assignment of Mortgage Loans and rents, security agreement and fixture filing or similar document executed by a Mortgagor Customer pursuant to which such Mortgagor Customer grants a lien on its interest in such Mortgaged Property in favor of the Issuer (whether as assignee of MBC or otherwise).

“**Mortgage Interest Rate**”: With respect to a Mortgage Note, the annual rate of interest borne on such Mortgage Note.

“**Mortgage Loan**”: A mortgage loan provided to a Mortgagor Customer and which mortgage loan includes, without limitation, (a) a Mortgage Note, the related Mortgage and all other Mortgage Loan Documents and (b) all right, title and interest of the Issuer in and to the Mortgaged Property covered by such Mortgage.

“**Mortgage Loan Collateral**”: All of the Issuer’s right, title and interest in, to and under each of the following items of property, whether now owned or hereafter acquired, now existing or hereafter created and wherever located:

- (a) all Mortgage Loans;
- (b) all Mortgage Loan Documents, including without limitation all promissory notes, and all Servicing Records (as defined in Section 11.06(b)), servicing agreements and any other collateral pledged or otherwise relating to such Mortgage Loans, together with all files, documents, instruments, surveys, certificates, correspondence, appraisals, computer programs, computer storage media, accounting records and other books and records relating thereto;
- (c) all mortgage guaranties and insurance (issued by governmental agencies or otherwise) and any mortgage insurance certificate or other document evidencing such mortgage guaranties or insurance relating to any Mortgage Loan and all claims and payments thereunder;
- (d) all other insurance policies and insurance proceeds relating to any Mortgage Loan or the related Mortgaged Property;
- (e) all interest rate protection agreements, relating to or constituting any and all of the foregoing;

(f) all deposit accounts or collection accounts to which payments on account of any Mortgage Loan are deposited or remitted and all monies from time to time on deposit therein;

(g) all “general intangibles”, “accounts” and “chattel paper” as defined in the Uniform Commercial Code relating to or constituting any and all of the foregoing; and

(h) any and all replacements, substitutions, distributions on or proceeds of any and all of the foregoing.

“**Mortgage Loan Documents**”: With respect to a Mortgage Loan, the documents comprising the Mortgage Loan File for such Mortgage Loan.

“**Mortgage Loan File**”: For any Mortgage Loan, (a) the original Mortgage Note bearing all intervening endorsements, duly endorsed to the Indenture Trustee, (b) the original Mortgage(s) securing each Mortgage Note with evidence of recording thereon or copies certified by the related recording office, (c) the Collateral Assignment, if any, executed in connection with such Mortgage(s), (d) any original stock certificates (accompanied by applicable stock powers), instruments, chattel paper or other collateral securing any Mortgage Loan in which the perfection of the Issuer’s lien is based upon the Issuer’s possession thereof, (e) the valuation or appraisal, if any, of the subject Mortgaged Property prepared by a third party valuation or appraisal service, (f) the Related Title Policy, (g) the evidence of liability and property/casualty coverage relating to the Mortgaged Property, and (h) an opinion, if any, of counsel, addressed to the Issuer (or its predecessor in interest) that the Mortgage Note, the Mortgage(s) and the Collateral Assignments, if any, are the valid and binding obligations of the parties thereto enforceable in accordance with their terms and have been duly and validly endorsed or assigned to the Issuer (or its predecessor in interest).

“**Mortgage Loan Guarantor**”: Any guarantor under any Mortgage Loan Guaranty.

“**Mortgage Loan Guaranty**”: With respect to any Mortgage Loan, the guaranty related to such Mortgage Loan executed by an Affiliate or parent of the related Mortgagor Customer in favor of MBC or the Issuer.

“**Mortgage Loan Payment**”: With respect to a Mortgage Loan, the scheduled payment of principal and/or interest on such Mortgage Loan required to be made pursuant to the provisions of the related Mortgage Note.

“**Mortgage Loan Schedule**”: The list of Mortgage Loans attached as Exhibit A hereto setting forth the following information with respect to each Mortgage Loan:

- (i) the Mortgagor Customer;
- (ii) the termination or maturity date for such Mortgage Loan;
- (iii) the street address (including city, state and zip code) of the Mortgaged Property;

- (iv) the applicable Mortgaged Property number as it appears on the tax maps of the municipality in which such Mortgaged Property is situated;
- (v) the Appraised Value, if available, of such Mortgaged Property;
- (vi) the initial principal amount and the then current outstanding principal amount of such Mortgage Loan;
- (vii) the Mortgage Interest Rate at which such Mortgage Loan accrues interest; and
- (viii) the monthly interest payment with respect to such Mortgage Loan.

“**Mortgage Note**”: The original executed promissory note or other evidence of the indebtedness of a Mortgagor Customer with respect to a Mortgage Loan.

“**Mortgaged Property**”: The real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral securing repayment of the debt evidenced by a Mortgage Note.

“**Mortgagor Customer**”: With respect to each Mortgage Loan, the obligor on the related Mortgage Note.

“**Net Cash Proceeds**”: The aggregate proceeds in the form of cash or Permitted Investments received by the Issuer, MBC or their respective subsidiaries in respect of any Asset Sale, including all cash or Permitted Investments received upon any sale, liquidation or other exchange of proceeds of Asset Sales received in a form other than cash or Permitted Investments, net of:

- (i) the direct costs relating to such Asset Sale (including, without limitation, reasonable legal, accounting and investment banking fees, brokerage fees and sales commissions) and any relocation expenses incurred as a result thereof;
- (ii) taxes paid or payable directly as a result thereof;
- (iii) with respect to an Asset Sale by MBC, amounts required to be applied to the repayment of indebtedness secured by a lien on the asset or assets that were the subject of such Asset Sale; and
- (iv) amounts deemed, in good faith, by the Board of Directors of the Issuer or MBC, as the case may be (or a duly authorized committee thereof), to be set aside as a reserve, in accordance with GAAP, against any liabilities associated with such assets which are the subject of such Asset Sale; provided that the amount of any such reserves shall be deemed to constitute Net Cash Proceeds at the time such reserves shall have been released or are not otherwise required to be retained as a reserve.

“**Net Investment Earnings**”: The amount by which the aggregate of all interest and other income realized during such Collection Period on funds held in the Collection Account, Release Account and any other accounts established from time to time, if any, exceeds the aggregate of all losses, if any, incurred during such Collection Period in connection with the investment of such funds in accordance with Section 10.03.

“**Net Proceeds Offer**”: As defined in Section 9.06(e).

“**Net Proceeds Offer Payment Date**”: As defined in Section 9.06(e).

“**Net Proceeds Trigger Date**”: As defined in Section 9.06(e).

“**Note**”: Any of the Issuer’s Senior Secured Notes, executed, authenticated and delivered hereunder, substantially in the forms attached as Exhibit B hereto.

“**Note Interest**”: On any Payment Date, the interest accrued during the related Accrual Period at the Note Rate, applied to the Outstanding Principal Balance of the Notes before giving effect to any payments of principal on such Payment Date. The Note Interest with respect to the Notes will be calculated on an actual/360 basis.

“**Note Owner**”: With respect to a Book-Entry Note, the Person who is the beneficial owner of such Note as reflected on the books of the Depository, a Depository Participant or an indirect participating brokerage firm for which a Depository Participant acts as agent. With respect to a Definitive Note, the Person who is the holder of such Note as reflected on the Note Register.

“**Note Rate**”: With respect to the Notes, six percent (6.0%) per annum.

“**Note Register**”: As defined in Section 2.06(a).

“**Note Registrar**”: Initially, the Indenture Trustee and thereafter, such other bank or trust company as the Indenture Trustee shall appoint pursuant to Section 2.06(a).

“**Noteholder**” or “**Holder**”: With respect to any Note, the Person in whose name such Note is registered on the Note Register maintained pursuant to Section 2.06. All references herein to “Noteholders” shall reflect the rights of Note Owners as they may indirectly exercise such rights through the Depository and the Depository Participants, except as otherwise specified herein; provided, however, that the parties hereto shall be required to recognize as a “Noteholder” or “Holder” only the Person in whose name a Note is registered in the Note Register as of the related Record Date.

“**Notice of Default**”: As defined in Section 5.02.

“**Officer’s Certificate**”: A certificate signed by any Responsible Officer of the Issuer or of the Indenture Trustee, as the case may be.

“ **Opinion of Counsel** ”: A written opinion of counsel (which shall be rendered by counsel that is Independent) in form and substance reasonably acceptable to and delivered to the addressees thereof.

“ **Outstanding** ”: When used with respect to Notes, means, as of any date of determination, any Note theretofore authenticated and delivered under this Indenture, except:

(i) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation (other than any Note as to which any amount that has become due and payable in respect thereof has not been paid in full); and

(ii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Note Registrar proof satisfactory to it that such Notes are held by a bona fide purchaser in whose hands such Notes are valid obligations of the Issuer;

provided, however, that in determining whether the Holders of the requisite amount or percentage have given any request, demand, authorization, vote, direction, notice, consent or waiver hereunder, Notes owned by an Interested Person shall be disregarded and deemed not to be Outstanding (other than with respect to a request for consent pursuant to Section 8.02 or unless any such Person or Persons owns all such Notes), except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Note Registrar knows to be so owned shall be so disregarded. Notes owned by an Interested Person which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Note Registrar in its sole discretion the pledgee’s right to act with respect to such Notes and that the pledgee is not an Interested Person.

“ **Outstanding Principal Balance** ”: With respect to the Notes and any date of determination, the Initial Principal Balance less the sum of all principal payments actually distributed to the Holders of the Notes as of such date of determination.

“ **Ownership Interest** ”: As to any Note, any ownership or security interest in such Note as held by the Holder thereof and any other interest therein, whether direct or indirect, legal or beneficial, as owner or as pledgee.

“ **Patriot Act** ” The USA Patriot Act Title III of 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and 150 offices, related to the subject matter thereof, including Executive Order 13224 effective September 24, 2001.

“ **Payment Account** ”: The segregated account established in the name of the Indenture Trustee pursuant to Section 2.14(a).

“ **Payment Date** ”: The 15 th day of each calendar month, commencing on June 15, 2016; provided that if such 15th day is not a Business Day, the Payment Date shall be the next succeeding Business Day.

“ **Paying Agent** ”: As defined in Section 2.06(b).

“ **Payoff Amount** ”: With respect to any Released Loan, an amount equal to the then current unpaid principal amount thereof, plus interest thereon, related to such Released Loan.

“ **Permitted Encumbrances** ”: As defined in Section 2.21(i).

“ **Permitted Investments** ”: Any one or more of the following obligations or securities:

(i) direct obligations of, or obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality thereof, provided that such obligations are backed by the full faith and credit of the United States of America and have a predetermined, fixed amount of principal due at maturity (that cannot vary or change) and that each such obligation has a fixed interest rate or has its interest rate tied to a single interest rate index plus a single fixed spread;

(ii) obligations of agencies or instrumentalities of the United States of America that are not backed by the full faith and credit of the United States of America, provided that such obligations have a predetermined, fixed amount of principal due at maturity (that cannot vary or change), do not have an “r” highlight attached to any rating and that each such obligation has a fixed interest rate or has its interest rate tied to a single interest rate index plus a single fixed spread;

(iii) uncertificated certificates of deposit, time deposits, bankers’ acceptances and repurchase agreements having maturities of not more than 365 days, of any bank or trust company organized under the laws of the United States of America or any state thereof, provided that such items are rated in the highest short-term debt rating category of the applicable Rating Agencies (or, if not rated by the applicable Rating Agency, have a comparable rating from another nationally recognized statistical rating organization), do not have an “r” highlight affixed to its rating and have a predetermined fixed amount of principal due at maturity (that cannot vary or change);

(iv) commercial paper (having original maturities of not more than 365 days) of any corporation incorporated under the laws of the United States of America or any state thereof (or of any corporation not so incorporated, provided that the commercial paper is denominated in United States dollars and amounts payable thereunder are not subject to any withholding imposed by any non-United States jurisdiction) that is rated in the highest short-term debt rating category of the applicable Rating Agencies, does not have an “r” highlight affixed to its rating, has a predetermined fixed amount of principal due at maturity (that cannot vary or change) and has a fixed interest rate or has its interest rate tied to a single interest rate index plus a single fixed spread, or any demand notes that constitute vehicles for commercial paper rated in the highest unsecured commercial or finance company paper rating category of the applicable Rating Agencies;

(v) units of money market funds that have as one of their investment objectives the maintenance of a constant net asset value and that are rated in the highest applicable rating category of the applicable Rating Agencies; and

(vi) repurchase agreements collateralized by United States Treasury securities or securities guaranteed by FNMA or FHLMC with any registered broker/dealer subject to SIPC jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated by the applicable Rating Agencies in their highest short-term category.

“**Person**”: Any individual, corporation, partnership, limited liability company, joint venture, joint-stock company, estate, trust, association, unincorporated organization, or any federal, state, county or municipal government or any political subdivision thereof.

“**Plan**”: Any one of: (a) (i) an “employee benefit plan”, as defined in Section 3(3) of ERISA that is subject to the provisions of Title I of ERISA, or (ii) a “plan”, as defined in Section 4975 of the Code, that is subject to the provisions of Section 4975 of the Code; (b) an entity whose underlying assets include assets of any such employee benefit plan or plan as set forth in clause (a) of this definition by reason of an investment in such entity by such employee benefit plan or plan; or (c) a governmental or church plan that is subject to any federal, state or local law that is materially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

“**Prime Rate**”: The “prime rate” published in the “Money Rates” section of *The Wall Street Journal*, as such “prime rate” may change from time to time. If *The Wall Street Journal* ceases to publish the “prime rate,” then the Indenture Trustee shall select an equivalent publication that publishes such “prime rate”; and if such “prime rate” is no longer generally published or is limited, regulated or administered by a governmental or quasi-governmental body, then the Indenture Trustee shall select a comparable interest rate index. In either case, such selection shall be made by the Indenture Trustee in its sole discretion and the Indenture Trustee shall notify the Issuer in writing of its selection.

“**Proceeding**”: Any suit in equity, action at law or other judicial or administrative proceeding.

“**Property Insurance Policy**”: With respect to any Mortgaged Property, any hazard insurance policy, flood insurance policy, or other insurance policy that is maintained from time to time in respect of such Mortgaged Property (including, without limitation, any blanket insurance policy maintained by or on behalf of the applicable Mortgagor Customer).

“**Prospectus**”: Collectively, the preliminary Prospectus dated March 22, 2016, the final Prospectus dated April 15, 2016 and the amended final Prospectus dated April 22, 2016, in each case with respect to the Notes.

“**Put Right Purchase Date**”: As defined in Section 7.02(a)(a).

“**Put Right Purchase Price**”: As defined in Section 7.02(a)(a).

“**Qualified Insurer**”: With respect to any Mortgaged Property, an insurance company duly qualified as such under the laws of the states in which such Mortgaged Property is located, duly authorized and licensed in such states to transact the applicable insurance business and to write the insurance provided, and approved as an insurer by FNMA and FHLMC and whose claims paying ability is rated in the two highest rating categories by any of the rating agencies with respect to primary mortgage insurance and in the two highest rating categories by Best’s with respect to hazard and flood insurance.

“**Qualified Substitute Loan**”: (a) A Mortgage Loan acquired by the Issuer in substitution for any Exchanged Loan that, on the date of such substitution, (i) has an Outstanding Principal Balance that, when combined with the Outstanding Principal Balance of all other Qualified Substitute Loans to be acquired by the Issuer on such date of substitution, is at least equal to the Outstanding Principal Balance of all Exchanged Loans on the date of substitution, (ii) complies, in all material respects, with all of the representations and warranties made with respect to Mortgage Loans under this Indenture (with each date therein referring to the date of substitution), and (iii) has the same or greater Mortgage Interest Rate as the Exchanged Loans, or (b) a Mortgage Loan acquired by the Issuer with proceeds deposited in the Release Account that, on the date of such acquisition, complies, in all material respects, with all of the representations and warranties made with respect to Mortgage Loans under this Indenture (with each date therein referring to the date of acquisition).

“**Rating Agency**”: S&P, any other nationally recognized statistical rating organization and their respective successors in interest.

“**Receivables**” shall mean and include, as to the Issuer, all of the Issuer’s accounts, contract rights, instruments (including those evidencing indebtedness owed to the Issuer by its Affiliates), documents, chattel paper (including electronic chattel paper), general intangibles relating to accounts, drafts and acceptances (including payment intangibles), and all other forms of obligations owing to the Issuer arising out of or in connection with a Mortgage Loan, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically assigned to the Indenture Trustee hereunder.

“**Record Date**”: As to any Payment Date with respect to Book-Entry Notes, the Business Day immediately preceding such Payment Date. As to any Payment Date with respect to Definitive Notes, the last Business Day of the prior calendar month or, in the case of the initial Payment Date, the Closing Date.

“**Redemption Date**”: As defined in Section 7.01.

“**Redemption Payment**”: A Mandatory Principal Payment, Voluntary Prepayment, Change of Control Purchase Price or payment in connection with a Net Proceeds Offer.

“**Related Business**” means those businesses in which the Issuer or MBC is engaged on the Closing Date, or that are reasonably related, ancillary, incidental or complementary thereto, as determined by the Issuer’s or MBC’s, as the case may be, board of directors.

“**Related Title Policy**”: with respect to a Mortgaged Property, a policy of title insurance insuring the first priority of a Mortgage, in the form described in Section 2.21(n).

“**Release Account**”: The segregated account established and maintained by the Issuer for the deposit of cash proceeds from the sale of any Mortgage Loan.

“**Release Price**”: With respect to any Mortgage Loan, an amount equal to (a) with respect to any Defaulted Mortgage Loan or any Released Loan, the greater of (i) the Fair Market Value of such Mortgage Loan and (ii) the outstanding principal amount of such Mortgage Loan, (b) the Payoff Amount with respect to any Mortgaged Property released due to a Collateral Defect, or (c) the Fair Market Value for any Released Loan sold to a third party; provided that the Release Price for a Mortgage Loan that has been paid in full shall be zero if all payments on account of such Mortgage Loan have been deposited to the Collection Account.

“**Released Loan**”: As defined in Section 11.02(a).

“**Remittance Date**”: The Business Day preceding each Payment Date.

“**Removed Mortgage Loan**”: A Released Loan or Exchanged Loan that has either been released or substituted that is removed from the Collateral pursuant to Section 2.04 and ARTICLE XI.

“**Required Conditions**”: With respect to any proposed substitution, release, exchange or lease transfer of a Mortgage Loan, the Required Conditions will be satisfied if the Issuer shall submit to the Indenture Trustee, not less than ten (10) days prior to the date of such release, a release of lien of the Mortgage for such Mortgage Loan for execution by the Indenture Trustee. Such release shall be in a form appropriate in each jurisdiction in which the Mortgage Loan is located. In addition, the Issuer shall provide all other documentation that is reasonably required to be delivered by any party hereto in connection with such substitution, release, exchange or lease transfer, together with an Officer’s Certificate certifying that such documentation (a) is in compliance with all Legal Requirements, and (b) will effect such release in accordance with the terms of this Indenture.

“**Requisite Majority**”: The Noteholders representing more than 50% of the Outstanding Principal Balance; provided that Interested Persons shall not be considered Noteholders and the Outstanding Principal Balance shall be reduced by the principal amount of Notes owned by Interested Persons in each case for purposes of this definition.

“**Resolution**”: With respect to the Issuer, a copy of a resolution certified by an Authorized Officer to have been duly adopted by the Issuer and to be in full force and effect on the date of such certification.

“**Responsible Officer**”: With respect to the Indenture Trustee, any officer of the Indenture Trustee customarily performing functions with respect to corporate trust matters and having direct responsibility for the administration of this Indenture and, with respect to a particular corporate trust matter under this Indenture, any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject, in each case, having direct responsibility for the administration of this Indenture; and, with respect to the Issuer, any officer or number of officers or other Person or number of Persons duly authorized to perform the indicated action on behalf of the Issuer.

“**S&P**”: Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“**SEC**”: The Securities and Exchange Commission.

“**Securities**”: All marketable securities and investment property owned by the Issuer, whether now existing or hereafter created, including any held by any intermediary in any “street” name, pursuant to any custody arrangement or otherwise.

“**Servicing Standard**”: To service the Mortgage Loans in the same manner in which, and with the same care, skill, prudence and diligence with which, MBC or the Issuer, as the case may be, services and administers similar Mortgage Loans for their own account and the account of their Affiliates or any third-party portfolios, to the extent applicable, in material compliance with all applicable laws, but without regard to (i) any known relationship that MBC or the Issuer, an Affiliate of MBC or the Issuer may have with any Mortgagor Customer, any of their respective Affiliates or any other party to the Transaction Documents or (ii) the ownership, or servicing or management for others, by MBC of any other Mortgage Loans or real properties.

“**Taxes**”: As defined in Section 9.03(a).

“**Transaction Documents**”: This Indenture, the Asset Transfer Agreements, the organizational documents of the Issuer, each Account Control Agreement, each Guaranty, the Webster Guaranty and any related supplements or amendments to the Transaction Documents, and any and all other agreements, documents and instruments executed and delivered by or on behalf of in support of the Issuer with respect to the issuance and sale of the Notes, as the same may from time to time be amended, modified, supplemented or renewed.

“**Transfer**”: Any direct or indirect transfer, sale, pledge, hypothecation or other form of assignment of any Ownership Interest in a Note.

“**Transfer Date**”: The Closing Date and any date thereafter on which a Mortgaged Loan is acquired by the Issuer.

“**Treasury Regulations**”: Temporary, final or proposed regulations (to the extent that by reason of their proposed effective date such proposed regulations would apply to the Issuer) of the United States Department of the Treasury.

“**Trustee Report**”: As defined in Section 6.01(a).

“**UCC**”: The Uniform Commercial Code as in effect in any applicable jurisdiction.

“**UCC Financing Statement**”: A financing statement executed and in form sufficient for filing pursuant to the UCC, as in effect in the relevant jurisdiction.

“**Underwriter**”: Aegis Capital Corp.

“**Unscheduled Principal Payment**”: On any Payment Date, the Unscheduled Proceeds deposited into the Collection Account for such Payment Date.

“**Unscheduled Proceeds**”: Collectively, without duplication, Liquidation Proceeds, Condemnation Proceeds, Insurance Proceed, and Payoff Amounts received in connection with releases and sales of Mortgage Loans and related Mortgaged Properties.

“**Unutilized Net Cash Proceeds**”: As defined in Section 9.06(e).

“**Voluntary Prepayment**”: Any voluntary prepayment of the Notes, in whole or in part, in accordance with the procedures set forth in Section 7.01.

“**Voting Stock**”: Capital Stock in a corporation or other Person with voting power under ordinary circumstances entitling the holders thereof to elect the Board of Directors or other comparable governing body of such corporation or Person.

“**Webster**”: Webster Business Credit Corporation.

“**Webster Credit Agreement**”: The Credit and Security Agreement dated as of February 27, 2015 between MBC and Webster.

“**Webster Guaranty**”: The guaranty made by the Issuer for the benefit of Webster with respect the obligations of MBC under the Webster Credit Agreement.

Section 1.02 Rules of Construction.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP, and, except as otherwise herein expressly provided, the terms “generally accepted accounting principles” or “GAAP” with respect to any computation required or permitted hereunder means such accounting principles as are generally accepted in the United States;
- (c) the word “including” shall be construed to be followed by the words “without limitation”;
- (d) article and section headings are for the convenience of the reader and shall not be considered in interpreting this Indenture or the intent of the parties hereto;
- (e) the definition of or any reference to any agreement, document or instrument herein shall be construed as referring to such agreement, document or instrument as from time to time amended, restated, supplemented or otherwise modified;
- (f) references to any law, constitution, statute, treaty, regulation, rule or ordinance, including any section or other part thereof, shall refer to such law, constitution, statute, treaty, regulation, rule or ordinance as amended from time to time, and shall include any successor thereto;

(g) references herein to any Person shall be construed to include such Person's successors and permitted assigns;

(h) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular article, section or other subdivision; and

(i) the pronouns used herein are used in the masculine and neuter genders but shall be construed as feminine, masculine or neuter, as the context requires.

ARTICLE II THE NOTES

Section 2.01 Forms; Denominations.

(a) The Notes shall be designated as the "Senior Secured Notes". The Notes may be issued with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon consistent herewith, as determined by the officers executing the Notes, as evidenced by their execution thereof. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note. The number of Notes which may be created by this Indenture is not limited.

Section 2.02 Execution, Authentication, Delivery and Dating.

(a) The Notes shall be executed by manual or facsimile signature on behalf of the Issuer by any Authorized Officers of the Issuer. Notes bearing the manual or facsimile signatures of individuals who were at any time the Authorized Officers of the Issuer shall be entitled to all benefits under this Indenture, subject to the following sentence, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes. No Note shall be entitled to any benefit under this Indenture, or be valid for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein, executed by the Indenture Trustee by manual signature, and such certificate of authentication upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. All Notes shall be dated the respective dates of their authentication.

(b) At the election of the Indenture Trustee, the Indenture Trustee may appoint one or more agents (each, an "**Authenticating Agent**") with power to act on its behalf and subject to its direction in the authentication of Notes in connection with transfers and exchanges under Section 2.06 and Section 2.11, as fully to all intents and purposes as though each such Authenticating Agent had been expressly authorized under those Sections to authenticate the Notes. For all purposes of this Indenture, the authentication of Notes by an Authenticating Agent shall be deemed to be the authentication of such Notes "by the Indenture Trustee." The Indenture Trustee shall be the initial Authenticating Agent.

Any corporation, bank, trust company or association into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation, bank, trust company or association resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation, bank, trust company or association succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, without the execution or filing of any further act on the part of the parties hereto or such Authenticating Agent or such successor corporation, bank, trust company or association.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Indenture Trustee and the Issuer. The Indenture Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Issuer. Upon receiving such notice of resignation or upon such a termination, the Indenture Trustee may promptly appoint a successor Authenticating Agent, and give written notice of such appointment to the Issuer and to the Noteholders. Upon the resignation or termination of the Authenticating Agent and prior to the appointment of a successor, the Indenture Trustee shall act as Authenticating Agent.

Each Authenticating Agent shall be entitled to all limitations on liability, rights of reimbursement and indemnities that the Indenture Trustee is entitled to hereunder as if it were the Indenture Trustee.

(c) The Indenture Trustee shall upon Issuer Request authenticate and deliver Notes for original issue in an aggregate amount equal to the Initial Principal Balance.

Section 2.03 Certification of Receipt of the Collateral.

(a) The Indenture Trustee, by its execution and delivery of this Indenture, acknowledges receipt by it of all assets Granted to it and included in the Collateral Pool, in good faith and without notice of any adverse claim, and declares that it holds and will hold such assets on behalf of the present and future Noteholders.

(b) In addition, with respect to the Notes, the Indenture Trustee hereby certifies to the Issuer and the Noteholders that, except as specifically identified in the Schedule of Mortgage Loan Exceptions attached to the Interim Receipt (in the form attached as Schedule C hereto), as of each Transfer Date (i) the Mortgage Loan Files of each related Mortgage Loan are in its possession and (ii) such Mortgage Loan Files appear regular on their face and appear to relate to the Mortgage Properties included in the Collateral. Not later than the 15th day following each Transfer Date, the Indenture Trustee shall deliver to the Issuer an executed certificate in the form of Exhibit D to the effect that, except as specifically identified in the Schedule of Mortgage Loan Exceptions attached as a schedule thereto, and other than any Mortgage Loan that has become a Liquidated Mortgage Loan or any Mortgage Loan specifically identified in any exception report annexed thereto as not being covered by such certification, (i) the original or a physical or electronic copy (certified to be true, correct and complete by the Issuer) of each Mortgage Loan is in its possession and (ii) such Mortgage Loan has been reviewed by it, appears regular on its face and appear to relate to such Mortgage Loan. Not later than the 75 th day following each Transfer Date (and if any exceptions are noted, again not later than the first anniversary of such Transfer Date), the Indenture Trustee shall deliver to the Issuer an executed certificate in the form of Exhibit D to the effect that, as to each Mortgage Loan listed on the Mortgage Loan Schedule, except as specifically identified in the Schedule of Mortgage Loan Exceptions attached as a schedule thereto, and other than any Mortgage Loan specifically identified in any exception report annexed thereto as not being covered by such certification, (i) all documents specified in the definition of "Mortgage Loan File" are in its possession, (ii) all such documents received by it with respect to such Mortgage Loan have been reviewed by it, appear to be regular on their face and appear to relate to such Mortgage Loan, and (iii) based on the examinations referred to in this Section 2.03 and only as to the foregoing documents, the information set forth in such Mortgage Loan Schedule accurately reflects the information set forth in the Mortgage Loan File.

(c) The Indenture Trustee shall not be under any duty or obligation to inspect, review or examine any of the documents, instruments, certificates or other papers relating to the Mortgage Loans delivered to it to determine that the same are valid, legal, effective, genuine, enforceable, in recordable form, sufficient or appropriate for the represented purpose or that they are other than what they purport to be on their face.

(d) The Indenture Trustee shall not assign, sell, dispose of or transfer any interest in the Mortgaged Properties or Mortgage Loans or any other asset (except as expressly provided herein) or knowingly permit the Mortgaged Properties or Mortgage Loans or any other asset included in the Collateral to be subjected to any lien, claim or encumbrance arising by, through or under the Indenture Trustee or any Person claiming by, through or under the Indenture Trustee other than the liens created pursuant to the Mortgages and this Indenture.

(e) If any party hereto discovers that any document constituting a part of a Mortgage Loan File has not been properly executed, is missing, contains information that does not conform in any respect with the corresponding information set forth in the Mortgage Loan Schedule (and the terms of such document have not been modified by written instrument contained in the Mortgage Loan File) or does not appear to be regular on its face (each, a “**Document Defect**”), such party shall give prompt written notice thereof to the other parties thereto. If the Issuer does not correct any Document Defect within 90 days of its receipt of such notice and such Document Defect materially and adversely affects the value of, or the interests of the Issuer in, the related Mortgage Loan or Mortgaged Property, the Issuer shall, subject to the provisions of Section 2.04 (to the same extent as if such Document Defect were a Collateral Defect), exercise such rights and remedies as the Issuer has under Section 2.04 with respect to such Document Defect. Notwithstanding the foregoing, the delivery of a commitment to issue a policy of owner’s title insurance in lieu of the delivery of the actual policy of owner’s title insurance shall not be considered a Document Defect with respect to any Mortgage Loan File if such actual policy of insurance is delivered to the Indenture Trustee not later than 270 days after the applicable Transfer Date.

Section 2.04 Repurchase or Transfer and Exchange of Mortgage Loans for Document Defects and Breaches of Representations and Warranties.

(a) If any party hereto discovers or receives notice that any required document is missing or of a breach of any representation or warranty relating to any Mortgage Loan or Mortgaged Property set forth in Section 2.21 that materially and adversely affects (i) the interests of the Issuer in, or the value of, such Mortgage Loan or the related Mortgaged Property or (ii) the collectability or enforceability of such Mortgage Loan (a “**Collateral Defect**”), the party discovering such Collateral Defect shall give prompt written notice thereof to the other parties hereto. Promptly upon becoming aware of any such Collateral Defect, the Issuer, not later than 60 days from the receipt by the Issuer of such notice or the Issuer’s knowledge of such Collateral Defects, as applicable, shall (1) cure such Collateral Defect in all material respects, (2) cause such Mortgage Loan to be released from the Collateral in accordance with Section 11.02, or (3) substitute one or more Qualified Substitute Loans for the subject Mortgage Loan in accordance with the procedures set forth in Section 11.01; provided that if (A) such Collateral Defect is capable of being cured but not within such 60-day period, (B) the Issuer has commenced and is diligently proceeding with the cure of such Collateral Defect within such 60-day period, and (C) the Issuer shall have delivered to the Indenture Trustee a certification executed on behalf of Issuer by an officer thereof setting forth the reason such Collateral Defect is not reasonably capable of being cured within an initial 60-day period and what actions the Issuer is pursuing in connection with the cure thereof and stating that the Issuer anticipates that such Collateral Defect will be cured within an additional period not to exceed 60 more days, then Issuer shall have up to an additional 60 days commencing on the 61st day from receipt by Issuer of such request to complete such cure.

(b) If the Issuer has elected to release or to substitute one or more of the Mortgage Loans and the Issuer has delivered the Officer’s Certificates referenced in Section 11.01 and Section 11.02, respectively, the Issuer shall prepare, execute and deliver the endorsements, assignments and other documents contemplated by Section 11.01 or Section 11.02 necessary to effectuate an exchange or release pursuant to Section 2.04(a). In connection with any such release or substitution by the Issuer, the Indenture Trustee shall concurrently deliver the related Mortgage Loan File to the Issuer.

Section 2.05 The Notes Generally.

(a) Each Note shall rank *pari passu* with each other Note and be equally and ratably secured by the Collateral included in the Collateral Pool. All Notes shall be substantially identical except as to denominations and as expressly permitted in this Indenture.

(b) This Indenture, together with the related Mortgages, shall evidence a continuing lien on and security interest in the Collateral Granted hereunder or subsequently included in the Collateral Pool to secure the full payment of the principal, interest and other amounts on the Notes, which shall in all respects be equally and ratably secured hereby for payment as provided herein, and without preference, priority or distinction on account of the actual time or times of the authentication and delivery of the Notes, all in accordance with the terms and provisions of this Indenture.

(c) The issuance of the Notes shall be subject to the satisfaction of the following conditions:

- (i) receipt by the Indenture Trustee of the Issuer Order authorizing the execution and authentication of the Notes;
- (ii) receipt by the Indenture Trustee of the Transaction Documents duly executed and delivered by the parties thereto and being in full force and effect, free of any breach or waiver;
- (iii) all Mortgage Loan Files with respect to the Collateral Pool, as set forth herein, shall have been delivered to the Indenture Trustee or a custodian on its behalf together with all UCC Financing Statements, documents of similar import in other jurisdictions, and other documents reasonably necessary to perfect the Indenture Trustee's security interest in such Collateral for the benefit of the Noteholders;
- (iv) receipt by the Indenture Trustee of Opinions of Counsel relating to (1) corporate and enforceability matters, as well as securities law matters, reasonably acceptable to the Underwriter and its counsel and (2) the creation and perfection of the Indenture Trustee's security interest; and
- (v) receipt by the Indenture Trustee of an Officer's Certificate from the Issuer, upon which the Indenture Trustee shall be permitted to fully rely and shall not have any liability for so relying, stating that the conditions precedent to such issuance have been fulfilled.

Section 2.06 Registrar and Paying Agent.

(a) At all times during the term of this Indenture, there shall be maintained at the office of the Note Registrar a "**Note Register**" in which, subject to such reasonable regulations as the Note Registrar may prescribe, the Note Registrar shall provide for the registration of Notes and of transfers and exchanges of Notes as herein provided. The offices of the Note Registrar shall be initially located (as of the Closing Date) at Worldwide Stock Transfer, LLC, One University Plaza, Suite 505, Hackensack, New Jersey 07601, Attention: Jonathan Gellis. The Indenture Trustee is hereby initially appointed (and hereby agrees to act in accordance with the terms hereof) as "**Note Registrar**" for the purpose of registering Notes and transfers and exchanges of Notes as herein provided. The Indenture Trustee may appoint, by a written instrument delivered to the Issuer, any other bank or trust company to act as Note Registrar under such conditions as the predecessor Indenture Trustee may prescribe; provided, that the Indenture Trustee shall not be relieved of any of its duties or responsibilities hereunder by reason of such appointment. If the Indenture Trustee resigns or is removed in accordance with the terms hereof, the successor trustee shall immediately succeed to its predecessor's duties as Note Registrar. The Issuer and the Indenture Trustee shall have the right to inspect the Note Register or to obtain a copy thereof at all reasonable times, and to rely conclusively upon a certificate of the Note Registrar as to the information set forth in the Note Register. Upon written request of any Noteholder made for purposes of communicating with other Noteholders with respect to their rights under this Indenture, the Note Registrar shall promptly furnish such Noteholder with a list of the other Noteholders of record identified in the Note Register at the time of the request.

(b) The Issuer shall maintain an office or agency where Notes may be presented for payment (the “ **Paying Agent** ”) and an office or agency where notices and demands to or upon the Issuer, if any, in respect of the Notes and this Indenture may be served. The Issuer may have one or more additional Paying Agents. The term “Paying Agent” includes any additional Paying Agent. Neither the Issuer nor any Affiliate thereof may act as Paying Agent. The Issuer may change the Paying Agent without prior notice to the Holders. The Issuer initially appoints the Indenture Trustee as Paying Agent and agent for service of notices and demands in connection with the Notes and this Indenture.

(c) The Issuer shall enter into an appropriate agency agreement, which shall incorporate the provisions of the 1939 Act, with any Agent that is not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Issuer shall notify the Trustee of the name and address of any such Agent. If the Issuer fails to maintain a Registrar or Paying Agent or fails to give the foregoing notice, the Trustee shall act as such and shall be entitled to appropriate compensation in accordance with this Indenture.

Section 2.07 Registration of Transfer and Exchange of Notes.

(a) A Noteholder or Note Owner may Transfer a Book-Entry Note or Ownership Interest therein only in accordance with the rules and procedures of the Depository and the Depository Participants.

(b) If any Transfer of a Note or an Ownership Interest therein is to be held by the related transferee in the form of a Definitive Note, then the Note Registrar shall refuse to register such Transfer unless it receives (and, upon receipt, may conclusively rely upon) an executed transferor certificate from the transferor substantially in the form attached as Exhibit E (subject to Section 13.03).

(c) Subject to the preceding provisions of this Section 2.07, upon surrender for registration of transfer of any Note at the offices of the Note Registrar maintained for such purpose, the Issuer shall execute, and the Indenture Trustee shall cause to be authenticated and delivered, in the name of the designated transferee or transferees, one or more new Notes.

(d) Every Note presented or surrendered for transfer or exchange shall (if so required by the Note Registrar) be duly endorsed by, or be accompanied by a written instrument of transfer in the form satisfactory to the Note Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

(e) No service charge shall be imposed for any transfer or exchange of Notes, but the Indenture Trustee or the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes.

(f) All Notes surrendered for transfer and exchange shall be physically canceled by the Note Registrar, and the Note Registrar shall dispose of such canceled Notes in accordance with its customary procedures.

(g) The Note Registrar or the Indenture Trustee shall provide to the Issuer upon reasonable written request and at the expense of the requesting party a current copy of the Note Register.

(h) Each transferee of a Note or an Ownership Interest therein will be deemed to have represented, warranted and agreed (or, in the case of Definitive Notes, shall represent, warrant and agree) that either (i) such transferee is not, and is not purchasing such Note on behalf of, as a fiduciary of, as trustee of, or with the assets of, a Plan or (ii) (1) such transferee believes that such Note is properly treated as indebtedness without substantial equity features for purposes of Department of Labor Regulations, as modified by ERISA, and agrees to so treat such Note and (2) such transferee's acquisition and continued holding of such Note or Ownership Interest therein will not give rise to a non-exempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code (or any law materially similar to Section 4975 of the Code or Section 406 of ERISA).

Section 2.08 CUSIP Number.

The Issuer in issuing the Notes may use one or more "CUSIP" numbers, and if so, such CUSIP numbers shall be included in notices of redemption or exchange as a convenience to Holders; provided, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP numbers printed in the notice or on the Notes, and that reliance may be placed only on the other identification numbers printed on the Notes. The Issuer shall promptly notify the Indenture Trustee of any such CUSIP numbers used by the Issuer in connection with the issuance of the Notes and of any change in the CUSIP numbers.

Section 2.09 Deposit of Moneys.

Prior to 10:00 a.m., New York City time, on each Payment Date, the Issuer shall have deposited to such account as directed by the Paying Agent immediately available funds in an amount sufficient to make cash payments, if any, due on such Payment Date. The principal and interest on Book-Entry Notes shall be payable to the Depository or its nominee, as the case may be, as the sole registered owner and the sole Holder of the Book-Entry Notes represented thereby. The principal and interest on Definitive Notes shall be payable, either in person or by mail, at the office of the Paying Agent.

Section 2.10 Book-Entry Notes.

(a) The Book-Entry Notes shall be delivered as one or more Notes held by the Book-Entry Custodian or, if appointed to hold such Notes as provided below, the Depository, and registered in the name of the Depository or its nominee and, except as otherwise provided in Section 2.10(c), transfer of such Notes may not be registered by the Note Registrar unless such transfer is to a successor Depository that agrees to hold such Notes for the respective Note Owners with Ownership Interests therein. Except as provided in Section 2.10(c), such Note Owners shall hold and transfer their respective Ownership Interests in and to such Notes through the book-entry facilities of the Depository and, except as provided in Section 2.10(c), shall not be entitled to definitive, fully registered Notes (“**Definitive Notes**”) in respect of such Ownership Interests. All transfers by Note Owners of their respective Ownership Interests in the Book-Entry Notes to be held by the related transferees as Book-Entry Notes shall be made in accordance with the procedures established by the Depository Participant or brokerage firm representing each such Note Owner. Each Depository Participant shall only transfer the Ownership Interests in the Book-Entry Notes of Note Owners it represents or of brokerage firms for which it acts as agent in accordance with the Depository’s normal procedures. The Indenture Trustee is hereby initially appointed as the Book-Entry Custodian and hereby agrees to act as such in accordance herewith and in accordance with the agreement that it has with the Depository authorizing it to act as such. Neither the Indenture Trustee nor the Note Registrar shall have any responsibility to monitor or restrict the transfer of any Book-Entry Note transferable through the book-entry facilities of the Depository. The Book-Entry Custodian may, and, if it is no longer qualified to act as such, the Book-Entry Custodian shall, appoint, by a written instrument delivered to the Issuer, and, if the Indenture Trustee is not the Book-Entry Custodian, the Indenture Trustee, any other transfer agent (including the Depository or any successor Depository) to act as Book-Entry Custodian under such conditions as the predecessor Book-Entry Custodian and the Depository or any successor Depository may prescribe; provided, that the predecessor Book-Entry Custodian shall not be relieved of any of its duties or responsibilities by reason of any such appointment other than with respect to an appointment of the Depository. If the Indenture Trustee resigns or is removed in accordance with the terms hereof, the successor trustee or, if it so elects, the Depository shall immediately succeed to its predecessor’s duties as Book-Entry Custodian. The Issuer shall have the right to inspect, and to obtain copies of, any Notes held as Book-Entry Notes by the Book-Entry Custodian.

(b) The Issuer, the Indenture Trustee and the Note Registrar may for all purposes, including the making of payments due on the Book-Entry Notes, deal with the Depository as the Noteholder and the authorized representative of the Note Owners with respect to such Notes for the purposes of exercising the rights of Noteholders hereunder. The rights of Note Owners with respect to the Book-Entry Notes shall be limited to those established by law and agreements between such Note Owners and the Depository Participants and brokerage firms representing such Note Owners. Multiple requests and directions from, and votes of, the Depository as holder of the Book-Entry Notes with respect to any particular matter shall not be deemed inconsistent if they are made with respect to different Note Owners. The Indenture Trustee may establish a reasonable record date in connection with solicitations of consents from or voting by Noteholders and shall give notice to the Depository of such record date.

(c) If (i) the Issuer advises the Indenture Trustee and the Note Registrar in writing that the Depository is no longer willing or able to properly discharge its responsibilities with respect to the Book-Entry Notes (or any portion thereof), and (ii) the Issuer is unable to locate a qualified successor, the Note Registrar shall notify all affected Note Owners, through the Depository, of the occurrence of any such event and of the availability of Definitive Notes to such Note Owners requesting the same. Upon surrender to the Note Registrar of the Book-Entry Notes (or any portion thereof) by the Book-Entry Custodian or the Depository, as applicable, and the delivery of registration instructions from the Depository for registration of transfer, the Issuer shall execute, and the Indenture Trustee shall cause to be authenticated and delivered, the Definitive Notes in respect of such Notes to the Note Owners identified in such instructions. None of the Issuer, the Indenture Trustee or the Note Registrar shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions.

(d) Upon the issuance of Definitive Notes, for purposes of evidencing ownership of any Notes, the registered holders of such Definitive Notes shall be recognized as Noteholders hereunder and, accordingly, shall be entitled directly to receive payments on, to exercise voting and consent rights with respect to, and to transfer and exchange such Definitive Notes.

(e) The Issuer shall provide an adequate inventory of Definitive Notes to the Indenture Trustee.

Section 2.11 Mutilated, Destroyed, Lost or Stolen Notes.

If any mutilated Note is surrendered to the Note Registrar, the Issuer shall execute and the Indenture Trustee shall cause to be authenticated and delivered, in exchange therefor, a new Note of the same principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Issuer, the Indenture Trustee and the Note Registrar (i) evidence to their satisfaction of the destruction (including mutilation tantamount to destruction), loss or theft of any Note and the ownership thereof, and (ii) indemnity as may be reasonably required by them to hold each of them and any of their agents harmless, then, in the absence of notice to the Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and the Indenture Trustee shall cause to be authenticated and delivered, in lieu of any such destroyed, lost or stolen Note, a new Note of the same tenor and denomination registered in the same manner, dated the date of its authentication and bearing a number not contemporaneously outstanding.

Upon the issuance of any new Note under this Section 2.11, the Issuer, the Indenture Trustee and the Note Registrar may require the payment by the Noteholder of an amount sufficient to pay or discharge any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the reasonable fees and expenses of the Authenticating Agent and the Indenture Trustee) in connection therewith.

Every new Note issued pursuant to this Section 2.11 in lieu of any destroyed, mutilated, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, mutilated, lost or stolen Note shall be at any time enforceable by any Person, and such new Note shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 2.11 are exclusive and shall preclude (to the extent permitted by applicable law) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.12 Noteholder Lists.

The Note Registrar shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the Noteholders, which list, upon request, will be made available to the Indenture Trustee insofar as the Indenture Trustee is no longer the Note Registrar. Upon written request of any Noteholder made for purposes of communicating with other Noteholders with respect to their rights under this Indenture, the Note Registrar shall promptly furnish such Noteholder at such Noteholder's expense with a list of the Noteholders of record identified in the Note Register at the time of the request. Every Noteholder, by receiving such access, or by receiving a Note or an interest therein, agrees with the Note Registrar that the Note Registrar will not be held accountable in any way by reason of the disclosure of any information as to the names and addresses of any Noteholder regardless of the source from which such information was derived.

Section 2.13 Persons Deemed Owners.

The Issuer, the Indenture Trustee, the Note Registrar and any of their agents, may treat the Person in whose name a Note is registered as the owner of such Note as of the related Record Date for the purpose of receiving payments of principal, interest and other amounts in respect of such Note and for all other purposes, whether or not such Note shall be overdue, and none of the Issuer, the Indenture Trustee, the Note Registrar or any agents of any of them, shall be affected by notice to the contrary.

Section 2.14 Payment Account.

(a) On or prior to the Closing Date, the Indenture Trustee shall establish and maintain one or more segregated trust accounts (collectively, the “**Payment Account**”) at Bank of America, N.A. (or at such other financial institution as necessary to ensure that the Payment Account is at all times an Eligible Account or a sub-account of an Eligible Account), in its name, as Indenture Trustee, bearing a designation clearly indicating that such account and all funds deposited therein are held for the exclusive benefit of the Noteholders and the Issuer as their interests may appear. On each Remittance Date, the Issuer shall deposit or cause to be deposited in the Payment Account the Available Amount for such Payment Date, such Available Amount to be held by the Indenture Trustee for the benefit of the Noteholders and the Issuer as herein provided. Except as provided in this Indenture, the Indenture Trustee, in accordance with the terms of this Indenture, shall have exclusive control and sole right of withdrawal with respect to the Payment Account. Funds in the Payment Account shall not be commingled with any other moneys.

(b) Amounts in the Payment Account shall be held uninvested.

(c) The Indenture Trustee is authorized to make withdrawals from the Payment Account to make payments on the Notes and to other parties as set forth in the priorities of payments pursuant to Section 2.15(b) of this Indenture.

(d) Upon the satisfaction and discharge of this Indenture pursuant to Section 3.01, the Indenture Trustee shall pay to the Issuer all amounts, if any, held by it remaining as part of the Collateral Pool.

Section 2.15 Payments on the Notes.

(a) Subject to Section 2.15(b), the Issuer agrees to pay:

(i) on each Payment Date prior to the Final Payment Date (but only to the extent of the Available Amount pursuant to Section 2.15(b)), interest on and, to the extent payable on such Payment Date pursuant to the terms of this Indenture or the Notes, principal of such Notes in the amounts and in accordance with the priorities set forth in Section 2.15(b); and

(ii) on the Final Payment Date, the entire Outstanding Principal Balance, together with all accrued and unpaid interest thereon.

Amounts properly withheld under the Code by any Person from a payment to any Holder of a Note of interest, principal or other amounts, or any such payment set aside on the Final Payment Date for such Note as provided in Section 2.15(b), shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

(b) With respect to each Payment Date, any interest, principal and other amounts payable on the Notes shall be paid to each Person that is a registered holder thereof at the close of business on the related Record Date; provided, however, that interest, principal and other amounts payable at the Final Payment Date of any Note shall be payable only against surrender thereof at the Indenture Trustee's Office or such other address as may be specified in the notice of final payment. Payments of interest, principal and other amounts on the Notes to be made on any Payment Date other than the Final Payment Date shall be made, subject to applicable laws and regulations, by wire transfer to such accounts as each such Noteholder shall designate by written instruction received by the Indenture Trustee not later than the Record Date related to such Payment Date or otherwise by check mailed on or before such Payment Date to the Person entitled thereto at such Person's address appearing on the Note Register as of the related Record Date. The Indenture Trustee shall pay each Note in whole or in part as provided herein on its Final Payment Date in immediately available funds from funds in the Payment Account as promptly as possible after presentation to the Indenture Trustee of such Note at the Indenture Trustee's Office, but in no event later than the next Business Day after the day of such presentation. If presentation is made after 3:30 p.m., New York City time, on any day, such presentation shall be deemed to have been made on the immediately succeeding Business Day.

Each payment with respect to a Book-Entry Note shall be paid to the Depository, as holder thereof, and the Depository shall be responsible for crediting the amount of such payment to the accounts of its Depository Participants in accordance with its normal procedures. Each Depository Participant shall be responsible for disbursing such payments to the related Note Owners that it represents and to each indirect participating brokerage firm for which it acts as agent. Each brokerage firm shall be responsible for disbursing funds to the related Note Owners that it represents. None of the parties hereto shall have any responsibility therefor except as otherwise provided by this Indenture or applicable law. The Issuer and the Indenture Trustee shall perform their respective obligations under each Letter of Representations.

Except as provided in the following sentence, if a Note is issued in exchange for any other Note during the period commencing at the close of business at the office or agency where such exchange occurs on any Record Date and ending before the opening of business at such office or agency on the related Payment Date, no interest, principal or other amounts will be payable on such Payment Date in respect of such new Note, but will be payable on such Payment Date only in respect of the prior Note. Interest, principal and other amounts payable on any Note issued in exchange for any other Note during the period commencing at the close of business at the office or agency where such exchange occurs on the Record Date immediately preceding the Final Payment Date and ending on the Final Payment Date, shall be payable to the Person that surrenders the new Note as provided in this Section 2.15(b).

All payments of interest, principal and other amounts made with respect to the Notes will be allocated *pro rata* among the Outstanding Notes as set forth below.

If any Note on which the final payment was due is not presented for payment on the Final Payment Date, then the Indenture Trustee shall set aside such payment in a segregated, non-interest bearing account (and shall remain uninvested) separate from the Payment Account (but which may be a sub-account thereof) but which constitutes an Eligible Account (or a sub-account of an Eligible Account), and the Indenture Trustee and the Issuer shall act in accordance with Section 5.09 in respect of the unclaimed funds.

On each Payment Date, the Available Amount for such Payment Date will be applied by the Indenture Trustee in the following manner and order of priority:

- (1) to the Indenture Trustee, the earned and unpaid Indenture Trustee Fee;
- (2) to the Noteholders, the Note Interest, plus unpaid Note Interest from any prior Payment Date, together with interest on any such unpaid Note Interest at the Note Rate;
- (3) (I) for so long as no Early Amortization Period has commenced or Event of Default has occurred and is continuing, to the Noteholders (until the Outstanding Principal Balance of the Notes has been reduced to zero), an amount up to the sum of the Mandatory Principal Payment allocable to the Notes for such Payment Date; or (II) if an Early Amortization Period has commenced or Event of Default has occurred and is continuing, to the Noteholders, all remaining Available Amounts until the Outstanding Principal Balance of the Notes has been reduced to zero;
- (4) to the Issuer, all remaining Available Amounts.

Notwithstanding the provisions of this Section 2.15(b), the Issuer may, subject to Section 9.06, at any time advance funds to the Indenture Trustee for the purpose of allowing the Indenture Trustee to make required payments on the Notes without right of reimbursement.

(c) In connection with making any payments pursuant to Section 2.15(b), the Indenture Trustee shall make available to the Issuer on the related Payment Date via the Indenture Trustee's internet website specified in Section 6.01(a), a written statement detailing the amounts so paid; provided, that if such information is not so available on the Indenture Trustee's internet website for any reason, the Indenture Trustee shall provide the Issuer with such written statement by facsimile transmission, confirmed in writing by first class mail or overnight courier.

Section 2.16 Final Payment Notice

(a) Notice of final payment under Section 2.15(b) shall be given by the Indenture Trustee as soon as practicable, but not later than two (2) Business Days prior to the Final Payment Date, to each Noteholder as of the close of business on the Record Date in the calendar month preceding the Final Payment Date at such Noteholder's address appearing in the Note Register and to the Issuer.

(b) All notices of final payment in respect of the Notes shall state (i) the Final Payment Date, (ii) the amount of the final payment for the Notes and (iii) the place where the Notes are to be surrendered for payment.

(c) Notice of final payment of the Notes shall be given by the Indenture Trustee in the name and at the expense of the Indenture Trustee. Failure to give notice of final payment, or any defect therein, to any Noteholder shall not impair or affect the validity of the final payment of any other Note.

Section 2.17 Compliance with Withholding Requirements.

Notwithstanding any other provision of this Indenture, the Indenture Trustee shall comply with all federal withholding requirements with respect to payments to Noteholders of interest, original issue discount, or other amounts that the Indenture Trustee reasonably believes are applicable under the Code or any other applicable federal law. The consent of Noteholders shall not be required for any such withholding.

Section 2.18 Cancellation.

The Issuer may at any time deliver to the Note Registrar for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Note Registrar.

All Notes delivered to the Indenture Trustee for payment shall be forwarded to the Note Registrar. All such Notes and all Notes surrendered for transfer and exchange in accordance with the terms hereof shall be canceled and disposed of by the Note Registrar in accordance with its customary procedures.

Section 2.19 Tax Treatment of the Notes and the Issuer.

The Issuer has entered into this Indenture, and the Notes will be issued, with the intention that, for purposes of any federal, state and local income or franchise tax and any other taxes imposed on or measured by income, the Notes will qualify as indebtedness of the Issuer. The Issuer, by entering into this Indenture, each Noteholder, by acceptance of its Note, and each Note Owner, by purchasing or otherwise acquiring an Ownership Interest in a Note, agree to treat the Notes and such Ownership Interests for purposes of any federal, state and local income or franchise tax and any other taxes imposed on or measured by income, as indebtedness of the Issuer.

Section 2.20 Representations and Warranties with Respect to the Issuer.

The Issuer hereby represents and warrants to the other parties hereto as follows:

(a) The Issuer is a corporation duly created and validly existing in good standing under the laws of the State of New York and has full power, authority and legal right to execute and deliver the Indenture and the other Transaction Documents to which the Issuer is a party, to issue the Notes, to pledge the Collateral included in the Collateral Pool to the Indenture Trustee and to perform its obligations under the Indenture and the other Transaction Documents to which it is a party.

(b) The execution and delivery by the Issuer of the Indenture and the performance by the Issuer of its obligations under the Indenture and the other Transaction Documents to which the Issuer is a party has been duly and validly authorized and will not violate the organizational documents of the Issuer, nor will such execution, delivery or performance require the authorization, consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action by, any arbitrator, court or other Governmental Authority (other than the SEC) or conflict with, or result in a breach or violation of, any provision of any law or regulation governing the Issuer or any order, writ, judgment or decree of any arbitrator, court or other Governmental Authority applicable to the Issuer or any of its assets, any indenture, mortgage, deed of trust, partnership agreement or other agreement or instrument to which the Issuer is a party or by which the Issuer or all or any portion of the Collateral is bound, which breach or violation would materially adversely affect either the ability of the Issuer to perform its obligations under this Indenture and the other Transaction Documents to which it is a party or the financial condition of the Issuer or the value of any Mortgaged Property as security for the Notes.

(c) The Issuer has requisite power and authority to own the Mortgage Loans and other Collateral and to transact the businesses in which it is now engaged. The Issuer is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection its business and operations. The Issuer possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to entitle it to own the Mortgage Loans and to transact the businesses in which it is now engaged, the failure of which to obtain would result in a material adverse effect on either the ability of the Issuer to perform its obligations under this Indenture and the other Transaction Documents to which it is a party or the financial condition of the Issuer or the value of any Mortgage Loan as security for the Notes.

(d) This Indenture and the other Transaction Documents (including the Notes when issued) have been duly executed and delivered by the Issuer and, assuming due authorization, execution and delivery by each of the other parties hereto and thereto, constitutes (and the Notes when issued will constitute) a valid, legal and binding obligation of the Issuer, enforceable against the Issuer in accordance with the terms hereof, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

(e) The Issuer has no employee benefit plans and is not required to make any contributions to any Plans.

(f) The Issuer (i) has not entered into the Indenture or any of the other Transaction Documents with the actual intent to hinder, delay, or defraud any creditor and (ii) has received reasonably equivalent value in exchange for its obligations under the Indenture. Giving effect to the issuance of the Notes, the fair saleable value of all of the Issuer's assets will, immediately following the execution and delivery of the Transaction Documents, exceed the Issuer's total liabilities, including, without limitation, subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Issuer's assets will, immediately following the execution and delivery of the Transaction Documents, be greater than the Issuer's probable liabilities, including the maximum amount of its contingent liabilities or debts as such debts become absolute and mature. The Issuer's assets immediately following the execution and delivery of the Transaction Documents will not constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Issuer does not intend to, and does not believe that it will, incur debts and liabilities (including, without limitation, contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Issuer).

(g) The Issuer is not: (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the 1940 Act; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which prevents the Issuer from entering into the Indenture. As of the Closing Date, this Indenture is not required to be qualified under the 1939 Act.

(h) The Transaction Documents and the Prospectus do not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements contained herein or therein not misleading.

(i) No Default or Event of Default under the Indenture has occurred and is continuing.

(j) Neither the Issuer nor MBC is contemplating the filing of a petition by the Issuer or MBC, as applicable, under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of the Issuer's or MBC's assets or property, and the Issuer has no knowledge of any Person contemplating the filing of any such petition against the Issuer or MBC.

(k) The Issuer is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code and the related Treasury Regulations, including temporary regulations.

(l) The Issuer has not incurred any indebtedness, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), that has not been repaid in full, other than (i) the Notes, (ii) trade and operational debt incurred in the ordinary course of business with trade creditors and in amounts as are normal and reasonable under the circumstances (including the expenses relating to the transactions contemplated by this Indenture) and (iii) the Webster Guaranty.

(m) The Issuer has good title to, and is the sole owner of, all Collateral included in the Collateral Pool, free and clear of any pledge, lien, encumbrance or security interest other than Permitted Encumbrances and the liens created hereby. This Indenture creates a valid and continuing security interest in each such item of the Collateral Pool in which a security interest may be created under Article 9 of the UCC in favor of the Indenture Trustee. The Issuer has caused the filing of an appropriate financing statement with the Secretary of State of the State of New York in order to perfect the security interests in the Collateral granted to the Indenture Trustee hereunder. Upon the issuance of the Notes and the proper filing of such financing statements, the Indenture Trustee will have a valid and enforceable perfected lien or perfected security interest, as applicable, in the Collateral, which lien or security interest is prior to all other liens, encumbrances and security interests, other than Permitted Encumbrances, and is enforceable as such against creditors of and purchasers from the Issuer.

(n) As of the Closing Date and at all times throughout the term of the Notes, (i) none of the funds or other assets of the Issuer constitute property of, or are beneficially owned, directly or indirectly, by any Person subject to trade restrictions under U.S. law, including but not limited to, the Patriot Act (including the anti-terrorism provisions thereof), the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701, et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder (such person, an “**Embargoed Person**”), with the result that the investment in the Notes (whether directly or indirectly) is prohibited by law, (ii) no Embargoed Person has any interest of any nature whatsoever in the Issuer, with the result that the investment in the Notes (whether directly or indirectly) is prohibited by law, and (iii) none of the funds of the Issuer have been derived from any unlawful activity with the result that the investment in the Issuer (whether directly or indirectly) is prohibited by law.

(o) No part of the proceeds of the Notes will be used for the purpose of purchasing or acquiring any “margin stock” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of the Indenture or the other Transaction Documents.

Section 2.21 Representations and Warranties With Respect to Mortgaged Properties and Mortgage Loans.

The Issuer shall make the following representations and warranties, as of each Transfer Date with respect to the Mortgage Loans (and the related Mortgage, Mortgage Note, Collateral Assignment, if any, and Mortgaged Property) added to the Collateral Pool by the Issuer in connection with the issuance of the Notes or at any time after the Closing Date:

(a) The information set forth in the Mortgage Loan Schedule with respect to the Mortgage Loans is complete, true and correct in all material respects.

(b) All payments made with respect to the Mortgage Loans under the terms of the applicable Mortgage Notes have been properly applied to the amount intended to be paid by the related Mortgagor Customers. No payment required under any Mortgage Loan is more than 60 days past due nor has any payment under any Mortgage Loan been more than 60 days past due at any time since the origination of such Mortgage Loan. The first Mortgage Loan Payment shall be made, or shall have been made, with respect to each Mortgage Loan on its due date or within the grace period, all in accordance with the terms of the related Mortgage Note.

(c) Neither MBC, the Issuer nor any Affiliate of either thereof has advanced funds to, or induced, solicited or knowingly received any advance of funds from a party other than the applicable Mortgagor Customer, directly or indirectly, for the payment of any amount required under the related Mortgage Loan.

(d) The terms of the Mortgage Notes and Mortgages have not been waived, altered or modified in any respect, from the date of origination, except by a written instrument which has been recorded, if necessary to protect the interests of the Indenture Trustee and the Noteholders, and which has been delivered to the Indenture Trustee and the terms of which are reflected in the Mortgage Loan Schedule. No Mortgagor Customer in respect of a Mortgage Loan has been released, in whole or in part, except in connection with an assumption agreement, which assumption agreement is part of the Mortgage Loan File delivered to the Indenture Trustee and the terms of which are reflected in the Mortgage Loan Schedule.

(e) No Mortgagor Customer has asserted any right of rescission, set-off, counterclaim or defense, including without limitation the defense of usury with respect to the related Mortgage Loan. No Mortgagor Customer in respect of any Mortgage Loan was a debtor in any state or Federal bankruptcy or insolvency proceeding at the time such Mortgage Loan was originated or is a debtor in any state or federal bankruptcy or insolvency proceeding.

(f) Each Mortgaged Property is insured by a fire and extended perils insurance policy, issued by a Qualified Insurer, and such other hazards as are customary in the area where such Mortgaged Property is located in an amount not less than the outstanding principal balance of such Mortgage Loan. If any portion of such Mortgaged Property is in an area identified by any federal Governmental Authority as having special flood hazards, and flood insurance is available, a flood insurance policy meeting the current guidelines of the Federal Emergency Management Agency is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the lesser of (1) the outstanding principal balance of the Mortgage Loan and (2) the maximum amount of insurance available under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1974. All such insurance policies (collectively, the "hazard insurance policy") contain a standard mortgagee clause naming the Issuer, its successors and assigns (including without limitation, subsequent owners of the Mortgage Loan), as mortgagee, and may not be reduced, terminated or canceled without 30 days' prior written notice to the mortgagee. No such notice has been received by MBC or Funding. All premiums on such insurance policy have been paid. The related Mortgage obligates the related Mortgagor Customer to maintain all such insurance and, at such Mortgagor Customer's failure to do so, authorizes the mortgagee to maintain such insurance at such Mortgagor Customer's cost and expense and to seek reimbursement therefor from such Mortgagor Customer. Where required by state law or regulation, the Mortgagor Customer has been given an opportunity to choose the carrier of the required hazard insurance, provided the policy is not a "master" or "blanket" hazard insurance policy covering a condominium, or any hazard insurance policy covering the common facilities of a planned unit development. Neither MBC nor the Issuer has engaged in, and has no knowledge of any Mortgagor Customer's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of either including, without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind has been or will be received, retained or realized by any attorney, firm or other Person, and no such unlawful items have been received, retained or realized by the Issuer.

(g) Any and all requirements of any federal, state or local law applicable to the Mortgage Loans have been complied with in all material respects, including the Patriot Act and the rules and regulations of the U.S. Treasury Department's Office of Foreign Assets Control.

(h) The Mortgage has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the related Mortgaged Property has not been released from the lien of the related Mortgage, in whole or in part, nor has any instrument been executed that would affect any such release, cancellation, subordination or rescission. Neither MBC nor the Issuer has waived the performance by any Mortgagor Customer of any action, if such Mortgagor Customer's failure to perform such action would cause the related Mortgage Loan to be in default, nor has MBC or the Issuer waived any default resulting from any action or inaction by any Mortgagor Customer.

(i) Each Mortgage is a valid, enforceable and perfected first lien, on the related Mortgaged Property, including all buildings on such Mortgaged Property and all installations and mechanical, electrical, plumbing, heating and air conditioning systems located in or annexed to such buildings, and all additions, alterations and replacements made at any time with respect to the foregoing. The lien of each Mortgage is subject only to:

(i) in the case of a construction loan, the lien of the Issuer (or its predecessor in interest) on such Mortgaged Property securing the Mortgage Loan made to the related Mortgagor Customer the proceeds of which were used to acquire such Mortgaged Property;

(ii) any lien for real property taxes and assessments with respect to which a notice of lien has not been filed against such Mortgaged Property;

(iii) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording acceptable to prudent mortgage lending institutions generally and specifically referred to in the lender's title insurance policy delivered to the originator of the related Mortgage Loan; and

(iv) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by such Mortgage or the use, enjoyment, value or marketability of such Mortgaged Property (any of the foregoing described in subparagraph (i), (ii), (iii) or (iv), a "**Permitted Encumbrance**" and, collectively, the "**Permitted Encumbrances**").

(j) Each Mortgage Note, each Mortgage and any other agreement executed and delivered by a Mortgagor Customer or a Mortgage Loan Guarantor, if applicable, in connection with a Mortgage Loan is genuine, is the legal, valid and binding obligation of the maker thereof enforceable in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law. All parties to each Mortgage Note, each Mortgage and any other such related agreement had legal capacity to enter into the related Mortgage Loan and to execute and deliver such Mortgage Note, such Mortgage and any such other agreements, and such Mortgage Note, such Mortgage and any other such agreements have been duly and properly executed by such parties. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to any Mortgage Loan has taken place on the part of any Person, including, without limitation, the Mortgagor Customer or any other party involved in the origination of the related Mortgage Loan. MBC or the Issuer has reviewed all of the documents constituting the Mortgage Loan File and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth herein.

(k) Each Mortgage Loan has been closed and the proceeds of such Mortgage Loan have been fully disbursed and there is no further requirement for future advances thereunder, except in the case of construction loans. All costs, fees and expenses incurred in making or closing each Mortgage Loan and the recording of the related Mortgage were paid, and the related Mortgagor Customer is not entitled to any refund of any amounts paid or due under the related Mortgage Note or such Mortgage.

(l) The Issuer is the sole owner and holder of each Mortgage Loan. No Mortgage Loan has been assigned or pledged by the Issuer, and the Issuer has good, indefeasible and marketable title thereto, and has full right and authority to transfer, pledge and assign each Mortgage Loan pursuant to this Indenture to the Indenture Trustee free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest, and following the pledge of each Mortgage Loan pursuant to this Indenture, the Indenture Trustee will hold such Mortgage Loan free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest.

(m) No Mortgage Loan has an LTV greater than (i) in the case of a Mortgage Loan the proceeds of which were used to acquire the related Mortgaged Property, 75% and (ii) in the case of a Mortgage Loan the proceeds of which were used to finance construction of the related Mortgaged Property, 80%.

(n) Each Mortgage Loan is covered by either an ALTA lender's title insurance policy or other generally acceptable form of policy or insurance acceptable to FNMA or FHLMC and each such title insurance policy is issued by a title insurer acceptable to FNMA or FHLMC and qualified to do business in the jurisdiction where such Mortgaged Property is located, insuring the Issuer (or its predecessor in interest), its successors and assigns, as to the first priority lien of the related Mortgage in the original principal amount of such Mortgage Loan (or to the extent the related Mortgage Note provides for negative amortization, the maximum amount of negative amortization in accordance with such Mortgage), subject only to Permitted Encumbrances, and any other matters that MBC or the Issuer agreed to allow to be outstanding against such Mortgaged Property, provided that such matters, would not affect the recovery of funds in the event of foreclosure, and in the case of adjustable rate Mortgage Loans, against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Mortgage providing for adjustment to the related Mortgage Interest Rate and the related Mortgage Loan Payment. Where required by state law or regulation, each Mortgagor Customer has been given the opportunity to choose the carrier of the related required mortgage title insurance. Additionally, such lender's title insurance policy affirmatively insures ingress and egress and against encroachments by or upon the related Mortgaged Property or any interest therein. Such lender's title insurance policy does not contain any special exceptions (other than the standard exclusions) for zoning and uses. The Issuer (or its predecessor in interest), its successors and assigns, are the sole insureds of such lender's title insurance policy, and such lender's title insurance policy is valid and remains in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this Indenture. No claims have been made under such lender's title insurance policy, and no prior holder or servicer of the related Mortgage, including MBC or the Issuer, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy, including, without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind has been or will be received, retained or realized by any attorney, firm or other Person, and no such unlawful items have been received, retained or realized by the Issuer.

(o) Neither MBC nor the Issuer has knowledge of any mechanics' or similar liens or claims which have been filed for work, labor or material (and to their knowledge no rights are outstanding that under the law could give rise to such liens) affecting any Mortgaged Property which are or may be liens prior to, or equal or coordinate with, the lien of the related Mortgage.

(p) Each Mortgage Note has a stated maturity. The stated maturity of each Mortgage Note does not exceed twelve (12) months and does not provide for, or have, any extension beyond forty-eight (48) months from the original due date of such Mortgage Note. Each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the related Mortgaged Property of the benefits of the security provided thereby. Upon default by a Mortgagor Customer on a Mortgage Loan and foreclosure on, or trustee's sale of, the related Mortgaged Property pursuant to the proper procedures, the holder of such Mortgage Loan will be able to deliver good and marketable title to such Mortgaged Property. There is no homestead or other exemption available to a Mortgagor Customer which would interfere with the right to sell the related Mortgaged Property at a trustee's sale or the right to foreclose the related Mortgage.

(q) Each Mortgage Loan was underwritten in the ordinary course of business of MBC or the Issuer, as the case may be. Neither MBC nor the Issuer has made any representations to a Mortgagor Customer that are inconsistent with the mortgage instruments used.

(r) To the best of MBC's and the Issuer's knowledge, all permits, licenses and other governmental authorizations necessary for the renovation or construction of any building on each Mortgaged Property have been obtained by the related Mortgagor Customer or by any Person managing such renovation or construction. Neither MBC nor the Issuer has received notification from any Governmental Authority that any such renovation or construction is in material non-compliance with any applicable law, ordinance, regulation, standard, permit, license or other governmental authorization which the related Mortgagor Customer is not endeavoring to cure.

(s) The Mortgage Note, the Mortgage and any other documents required to be delivered under this Indenture for each Mortgage Loan have been delivered to the Indenture Trustee. The Issuer or its agent is in possession of a complete, true and accurate Mortgage Loan File for each Mortgage Loan, except for such documents the originals of which have been delivered to Indenture Trustee.

(t) Each Mortgage contains an enforceable provision for the acceleration of the payment of the unpaid principal balance of the related Mortgage Loan in the event that the related Mortgaged Property is sold or transferred without the prior written consent of the mortgagee thereunder.

(u) No Mortgage Loan contains provisions pursuant to which Mortgage Loan Payments are paid or partially paid with funds deposited in any separate account established by the Issuer, the Mortgagor Customer or anyone on behalf of the Issuer or the Mortgagor Customer, or paid by any source other than the Mortgagor Customer, nor does any Mortgage Loan contain any other similar provisions which may constitute a “buydown” provision. No Mortgage Loan is a graduated payment mortgage loan and no Mortgage Loan has a shared appreciation or other contingent interest feature.

(v) All advances made to a Mortgagor Customer with respect to a construction loan are evidenced by a single Mortgage Note in the stated principal amount equal to the maximum amount of advances such Mortgagor Customer is permitted to borrow under the related Mortgage Loan and all such advances are secured by the related Mortgage and bear a single interest rate and single repayment term. The lien of the related Mortgage securing the consolidated principal amount is expressly insured as having first lien priority, subject only to any acquisition loan made to such Mortgagor Customer with respect to the same Mortgaged Property, by a title insurance policy, an endorsement to the policy insuring the mortgagee’s consolidated interest or by other title evidence acceptable to FNMA and FHLMC.

(w) There have not been any condemnation proceedings with respect to any Mortgaged Property.

(x) The origination and collection practices used by MBC and the Issuer with respect to each Mortgage Loan have been in all respects in compliance with applicable laws and regulations, and have been in all respects legal and proper and in the ordinary course of business. All Mortgage Interest Rate adjustments have been made in strict compliance with state and federal law and the terms of the related Mortgage Note. Any interest required to be paid pursuant to state, federal and local law has been properly paid and credited.

(y) No Mortgage Note by its terms provides for the capitalization or forbearance of interest.

(z) No document relating to any Mortgage Loan provides for any contingent or additional interest in the form of participation in the cash flow of the related Mortgaged Property or a sharing in the appreciation of the value of such Mortgaged Property. The indebtedness evidenced by each Mortgage Note is not convertible to an ownership interest in the related Mortgaged Property or the related Mortgagor Customer and neither MBC nor the Issuer has financed nor does MBC or the Issuer own, directly or indirectly, any equity of any form in such Mortgaged Property or such Mortgagor Customer.

(aa) The proceeds of the Mortgage Loans have not been and shall not be used to satisfy, in whole or in part, any debt owed or owing by the related Mortgagor Customers to MBC, the Issuer or any Affiliate of MBC or the Issuer.

(bb) Each Mortgage either has been or will promptly be submitted for recordation in the appropriate governmental recording office of the jurisdiction where the related Mortgaged Property is located.

(cc) Except as previously disclosed to the Indenture Trustee by the Issuer and approved by Indenture Trustee in writing, no Mortgage Loan has been rejected for purchase by a whole loan buyer.

(dd) To the best of MBC's and the Issuer's knowledge, each Mortgaged Property is free from any and all Hazardous Substances and there exists no violation of any Environmental Laws.

(ee) Neither MBC nor the Issuer has knowledge of any circumstances existing that should reasonably be expected to adversely affect the value or the marketability of any Mortgaged Property or any Mortgage Loan.

(ff) No Mortgage Loan is (i) subject to the provisions of the Homeownership and Equity Protection Act of 1994 as amended (" **HOEPA** "), (ii) a "high cost" mortgage loan, "covered" mortgage loan or "predatory" mortgage loan or any other comparable term, no matter how defined under any federal, state or local law, or (iii) subject to any comparable federal, state or local statutes or regulations or any other statute or regulation providing assignee liability to holders of such mortgage loans.

(gg) No predatory, abusive or deceptive lending practices, including but not limited to, the extension of credit to a Mortgagor Customer without regard for such Mortgagor Customer's ability to repay the related Mortgage Loan and the extension of credit to such Mortgagor Customer which has no tangible net benefit to such Mortgagor Customer, were employed in connection with the origination of such Mortgage Loan.

(hh) The principal amount of each Mortgage Loan is less than One Million Five Hundred Thousand Dollars (\$1,500,000); provided, that (i) up to three (3) Mortgage Loans originated in any calendar year may be in a principal amount not to exceed Two Million Dollars (\$2,000,000.00) and (ii) the aggregate principal amount of all Eligible Mortgage Loans owing at any time by any Mortgagor Customer (together with Affiliates of such Mortgagor Customer (including common Mortgage Loan Guarantors and/or related entities)) to the Issuer or any Affiliate of the Issuer shall not exceed Three Million Dollars (\$3,000,000).

(ii) To the best of MBC's and the Issuer's knowledge, there is no pending action or proceeding involving any Mortgaged Property in which the compliance with any lead paint law, rule or regulation is an issue. Nothing further remains to be done to satisfy in full all requirements of each such law, rule or regulation that constitutes a prerequisite to the use and enjoyment of such property.

(jj) To the best of MBC's and the Issuer's knowledge, there are no pending actions, suits or proceedings, arbitrations or governmental investigations against any Mortgagor Customer or any Mortgaged Property, an adverse outcome of which would materially affect (i) such Mortgagor Customer's performance under the related Mortgage Note and other related Mortgage Loan Documents, or the use of such Mortgaged Property for the use currently being made thereof, the operation of such Mortgaged Property as currently being operated or the value of such Mortgaged Property or (ii) the collectability or enforceability of the related Mortgage with respect to such Mortgaged Property or the related Mortgage Loan.

(kk) To the best of MBC's and the Issuer's knowledge, no asbestos is located on any Mortgaged Property except as may have been disclosed in the Phase I environmental reports delivered to the Indenture Trustee.

(ll) All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable law in connection with the transfer of the Mortgage Loans and Mortgage Loan Documents to the Issuer have been paid. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid by any Person under applicable law in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Mortgage Loan Documents, including, without limitation, the Mortgages, have been paid.

(mm) Each Mortgagor Customer under a Mortgage Loan or related Mortgage Loan Documents (which document does not negate other representations and warranties set forth herein) has been instructed to make payments directly to the Collection Account; provided that, with respect to any Mortgage Loan acquired by the Issuer from MBC pursuant to the Asset Transfer Agreement, the Issuer shall have ten (10) days after the date of such acquisition to direct, in writing, each related Mortgagor Customer to make payments directly to the Collection Account and a breach of this subsection (mm) with respect to such Mortgage Loan shall occur only if such written direction is not so delivered to such Mortgagor Customer.

(nn) The obligations of each Mortgagor Customer under the related Mortgage Note and other Mortgage Loan Documents are not affected by reason of: (i) any damage to or destruction of any portion of a related Mortgaged Property; (ii) any taking of such Mortgaged Property; or (iii) any prohibition, limitation, interruption, cessation, restriction, prevention or interference of such Mortgagor Customer's use, occupancy or enjoyment of such Mortgaged Property.

ARTICLE III SATISFACTION AND DISCHARGE

Section 3.01 Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect except as to (a) any surviving rights herein expressly provided for, (b) in the case of clause (1)(B) below, the rights of the Noteholders hereunder to receive payment of the Outstanding Principal Balance of and interest on the Notes and any other rights of the Noteholders hereunder, and (c) the provisions of Section 3.02, when:

(1) either: (A) all Notes theretofore authenticated and delivered (other than (I) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.11 and (II) Notes for which payment of money has theretofore been deposited in the Payment Account by the Indenture Trustee and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 5.09) have been delivered to the Note Registrar for cancellation; or (B) all such Notes not theretofore delivered to the Note Registrar for cancellation (I) have become due and payable or (II) will become due and payable on the next Payment Date, and in the case of clause (B)(I) or (B)(II) above, cash in an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Note Registrar for cancellation or sufficient to pay the Outstanding Principal Balance thereof and any interest thereon accrued to the date of such deposit (in the case of Notes which have become due and payable) or to the end of the related Accrual Period for the next Payment Date has been deposited with the Indenture Trustee as trust funds in trust for these purposes;

(2) the Issuer has paid or caused to be paid all other sums payable or reasonably expected to become payable by the Issuer to the Indenture Trustee, each of the other Persons to which amounts are payable hereunder and each of the Noteholders (in each case, if any); and

(3) the Issuer has delivered to the Indenture Trustee an Officer's Certificate of the Issuer (upon which the Indenture Trustee may rely) stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with;

provided, however, that if, at any time after the payment that would have otherwise resulted in the satisfaction and discharge of this Indenture and such obligations, such payment is rescinded or must otherwise be returned for any reason, effective upon such rescission or return such satisfaction and discharge of this Indenture and such obligations shall automatically be deemed never to have occurred and this Indenture and such obligations shall be deemed to be in full force and effect.

Notwithstanding the foregoing, the obligations of the Issuer to the Indenture Trustee under Section 5.04 and the obligations of the Indenture Trustee to the Noteholders under Section 3.2 shall survive satisfaction and discharge of this Indenture.

Section 3.02 Application of Trust Money.

Subject to the provisions of Section 2.15, Section 5.09 and Section 7.01, all Cash deposited with the Indenture Trustee pursuant to Section 3.01 shall be held in the Payment Account and applied by the Indenture Trustee, in accordance with the provisions of the Notes and this Indenture, to pay to the Persons entitled thereto the amounts to which such Persons are entitled pursuant to the provisions hereof.

ARTICLE IV
EVENTS OF DEFAULT; REMEDIES

Section 4.01 Events of Default.

“ **Event of Default**,” wherever used herein with respect to the Notes, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) the failure of the Issuer to pay interest on the Notes on any Payment Date or any other amount on account of the Notes (other than a payment default under subsection (b)) and such failure continues unremedied for a period of thirty (30) days;

(b) the failure of the Issuer to pay any Redemption Payment or retire the Notes on the Final Payment Date;

(c) (i) any material default in the observance or performance of any material covenant or agreement of the Issuer or MBC made in this Indenture or any other Transaction Documents to which it is a party (other than a covenant or agreement, a default in the observance or performance of which is elsewhere in this Section 4.01 specifically dealt with), which default shall continue unremedied for a period of thirty (30) days after there shall have been given to the Issuer by the Indenture Trustee, or to the Issuer and the Indenture Trustee by the Noteholders holding at least 25% of the Outstanding Principal Balance, a written notice specifying such default and requiring it to be remedied; (ii) any monetary default by the Issuer under any Transaction Document, other than this Indenture or the Notes, which monetary default continues beyond any applicable cure period set forth in such Transaction Document, or if no cure period is set forth in such document, such default continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Indenture Trustee; or (iii) any material default in the observance or performance of any non-monetary covenant or agreement on the part of the Issuer or MBC contained in any Transaction Document, other than this Indenture or the Notes, which continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Indenture Trustee, provided, however, if such default under this clause (iii) is reasonably susceptible of cure, but not within such thirty (30) day period, then the Issuer or MBC, as applicable, shall have an additional forty-five (45) days to cure such default provided the Issuer or MBC, as applicable, diligently and continuously pursues such cure;

(d) (i) the impairment of the validity or effectiveness of this Indenture or the material impairment of the validity or effectiveness of any other security document purporting to grant a lien to the Indenture Trustee, the subordination of the lien of the Indenture Trustee on any part of the Collateral Pool, the creation of any lien or other encumbrance on any part of the Collateral Pool in addition to the lien of the Indenture Trustee or the failure of the lien of the Indenture Trustee to constitute a valid first priority perfected security interest in the Collateral included in the Collateral Pool, in each case, that has a material adverse effect with respect to the Collateral Pool, subject to Permitted Encumbrances; provided, that if susceptible of cure, no Event of Default shall arise pursuant to this subsection (d) until the continuation of any such default unremedied for a period of thirty (30) days after receipt by the Issuer of notice thereof; or (ii) the creation of any mechanic's, materialman's or other lien or encumbrance, other than a Permitted Encumbrance, on any part of the Collateral, which lien is not removed of record or otherwise insured over to Indenture Trustee's satisfaction within forty-five (45) days of the filing or recording of such lien;

(e) a material breach of the representations and warranties of the Issuer contained in the Indenture (other than as set forth in Section 2.21) that materially and adversely affects the interests of the Indenture Trustee, on behalf of the Noteholders, which continues unremedied for a period of fifteen (15) days after the date on which written notice of such breach, requiring the same to be remedied, shall have been given to the Issuer by the Indenture Trustee;

(f) a decree or order of a court or agency or supervisory authority having jurisdiction in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or appointing a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities and reorganization or similar proceedings, or for the winding up or liquidation of its affairs, shall have been entered against the Issuer or MBC and such decree or order shall have remained in force undischarged or unstayed for a period of ninety (90) days;

(g) the Issuer or MBC shall voluntarily file a petition for bankruptcy, reorganization, assignment for the benefit of creditors or similar proceeding or consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceedings of, or relating to, the Issuer or MBC or of, or relating to, all or substantially all of the assets of the Issuer or MBC;

(h) any Collateral is subject to a Collateral Transfer other than as provided in this Indenture;

(i) any default under any other Transaction Document (that is deemed an "Event of Default under the Indenture" pursuant to the terms of such other Transaction Document);

(j) a Guaranty ceases to be in full force and effect or is declared to be null and void and unenforceable or a Guaranty is found to be invalid or a Guarantor denies its liability under its Guaranty or gives notice to that effect (other than by reason of release of the Guarantor in accordance with the terms of this Indenture);

(k) the rendering of a final judgment or judgments (not subject to appeal) of a court of competent jurisdiction against the Issuer or MBC which could be reasonably expected to have a material adverse effect on (i) the condition, operations, assets, business or prospects of the Issuer or MBC, as applicable, (ii) the Issuer's ability to make any payments under this Indenture, the Notes or the other Transaction Document in accordance with the terms hereof or thereof, (iii) MBC's ability to make payments under the Guaranty, (iv) the value of the Collateral, or the Indenture Trustee's liens on the Collateral or the priority of any such lien or (v) the practical realization of the benefits of the Indenture Trustee's rights and remedies under this Indenture and the Transaction Documents;

(l) MBC or any Guarantor shall fail to pay any principal or interest, regardless of amount, due in respect indebtedness exceeding \$250,000 when and as the same shall become due and payable, or any other event or circumstance which would permit the holder of any such indebtedness to accelerate such indebtedness (and/or the obligations of MBC or such Guarantor thereunder) prior to the scheduled maturity or termination thereof, shall occur (regardless of whether the holder of such indebtedness shall actually accelerate, terminate or otherwise exercise any rights or remedies with respect to such indebtedness); or

(m) the Issuer or MBC shall cease doing business as conducted on the Closing Date.

Section 4.02 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default (other than with respect to clause (f), clause (g) or clause (i) of the definition thereof) should occur and be continuing, at the written direction of Noteholders representing at least 30% of the Outstanding Principal Balance (which shall have the right, but not the obligation, to direct the Indenture Trustee to accelerate the Notes and, subject to the provisions of this Indenture, cause the foreclosure and sale of the Collateral included in the Collateral Pool), the Indenture Trustee shall declare all of the Notes to be immediately due and payable; provided that the Indenture Trustee shall not declare all of the Notes to be immediately due and payable if the Requisite Majority rescind the direction of such Noteholders in a written notice delivered to the Indenture Trustee. If an Event of Default specified in clause (f), clause (g) or clause (i) of the definition thereof occurs, the unpaid Outstanding Principal Balance of such Notes, together with all accrued interest thereon through the date of acceleration, shall automatically become due and payable in full without any declaration or other act on the part of the Indenture Trustee or any Noteholder.

At any time after such declaration of acceleration has been made and before a judgment or decree for payment of the money due in respect of the Notes has been obtained by the Indenture Trustee as hereinafter provided in this ARTICLE IV, the Requisite Majority may rescind and annul such declaration and its consequences if:

(a) the Issuer has paid to or deposited with the Indenture Trustee a sum sufficient to pay:

(i) all payments of principal of and interest on the Notes and all other amounts that would, in each case, then be due hereunder or upon the Notes if the Event of Default giving rise to such acceleration had not occurred; and

(ii) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by virtue of such acceleration, have been cured or waived as provided in Section 4.12.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereto.

Section 4.03 Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(a) If the Issuer fails to pay all amounts due upon an acceleration of the Notes under Section 4.02 forthwith upon demand and such declaration and its consequences shall not have been rescinded and annulled, the Indenture Trustee, in its capacity as Indenture Trustee and as trustee of an express trust, shall, if directed by the Requisite Majority (which will have the right, but not the obligation, to direct the Indenture Trustee to cause the foreclosure and sale of the Collateral in the Collateral Pool), institute a judicial proceeding for the collection of the sums so due and unpaid, prosecute such proceeding to judgment or final decree and enforce the same against the Issuer or any other obligor upon such Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the Collateral, wherever situated, or may institute and prosecute such non-judicial proceedings in lieu of judicial proceedings as are then permitted by applicable law.

(b) If an Event of Default occurs and is continuing, the Indenture Trustee may, in its discretion and in any order, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate proceedings as the Indenture Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture or any Mortgage or by law.

(c) In case (i) there shall be pending, relative to the Issuer, MBC or any Person having or claiming an interest in the Collateral Pool, proceedings under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar law, (ii) a receiver, assignee, debtor-in-possession or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or shall have taken possession of the Issuer or MBC or their respective property or (iii) there shall be pending a comparable judicial proceeding brought by creditors of the Issuer or MBC or affecting the property of the Issuer or MBC, the Indenture Trustee, irrespective of whether the principal of or interest on any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(iv) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective attorneys, and for reimbursement of all reasonable expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of willful misconduct, negligence or bad faith of the Indenture Trustee or any predecessor Indenture Trustee, as applicable) and of the Noteholders allowed in such proceedings;

(v) unless prohibited by applicable law and regulations, to vote on behalf of the Noteholders in any election of a trustee, a standby trustee or Person performing similar functions in any such proceedings;

(vi) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders and of the Indenture Trustee on their and its behalf; and

(vii) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Noteholders allowed in any judicial proceedings relative to the Issuer or MBC, their respective creditors and their respective property;

and any trustee, receiver, liquidator, custodian or other similar official in any such proceeding is hereby authorized by each of Noteholders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Noteholders to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective attorneys, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of willful misconduct, negligence or bad faith of the Indenture Trustee or predecessor Indenture Trustee.

(d) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of the Noteholder or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(e) In any proceedings brought by the Indenture Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all the Noteholders, and it shall not be necessary to make any Noteholder a party to any such proceedings.

(f) All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its counsel, be for the ratable benefit of the Noteholders in respect of which such judgment has been recovered, subject to the payment priorities of Section 2.15(b).

Section 4.04 Remedies.

If an Event of Default has occurred and is continuing, and the Notes have been declared due and payable pursuant to Section 4.02 and such declaration and its consequences shall not have been rescinded and annulled, the Indenture Trustee shall, at the written direction of the Requisite Majority, in addition to performing any tasks as provided in Section 4.03, do one or more of the following:

- (a) institute, or cause to be instituted, Proceedings for the collection of all amounts then payable on or under the Collateral or this Indenture with respect to the Notes, whether by declaration of acceleration or otherwise, of the sums due and unpaid, prosecute such Proceedings, enforce any judgment obtained and collect from the Collateral included in the Collateral Pool the moneys adjudged to be payable;
- (b) liquidate, or cause to be liquidated, all or any portion of the Collateral Pool at one or more public or private sales called and conducted in any manner permitted by applicable laws; provided, however, that the Indenture Trustee shall give the Issuer written notice of any private sale called by or on behalf of the Indenture Trustee pursuant to this Section 4.04(b) at least 10 days prior to the date fixed for such private sale;
- (c) institute, or cause to be instituted, Foreclosure Proceedings with respect to all or part of the Collateral included in the Collateral Pool;
- (d) exercise, or cause to be exercised, any remedies of a secured party under the UCC;
- (e) maintain the lien of this Indenture over the Collateral included in the Collateral Pool and, in its own name or in the name of the Issuer or otherwise, collect and otherwise receive in accordance with is Indenture any money or property at any time payable or receivable on account of or in exchange for the Mortgaged Properties and Mortgage Loans in the Collateral Pool;
- (f) take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee hereunder; and
- (g) exercise, or cause to be exercised, any remedies contained in any Mortgage;

provided, however, that the Indenture Trustee shall not, unless required by law, sell or otherwise liquidate all or any portion of the Collateral Pool following any Event of Default except in accordance with Section 4.15; provided, further, that, with respect to instituting any remedies pursuant to this Section 4.04 in any state wherein the law prohibits more than one “judicial action” or “one form of action” to enforce a mortgage obligation, the Indenture Trustee shall enforce any of the Indenture Trustee’s rights hereunder with respect to any Mortgaged Properties in accordance with the directions of the Requisite Majority.

In the event that the Indenture Trustee, following an Event of Default hereunder, institutes Foreclosure Proceedings, the Indenture Trustee shall promptly give a notice to that effect to the Issuer.

Section 4.05 Application of Money Collected.

Any money collected by the Indenture Trustee pursuant to this Article shall be deposited in the Payment Account and, on each Payment Date, shall be applied in accordance with Section 2.15 and, in case of the distribution of such money on account of the principal of or interest on the Notes, upon presentation and surrender of the Notes if fully paid.

Section 4.06 Limitation on Suits.

Except as provided in Section 4.07, no Noteholder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (1) such Noteholder has previously given written notice to the Indenture Trustee of a continuing Event of Default;
- (2) the Requisite Majority shall have made written request to the Indenture Trustee to institute proceedings in respect of such Event of Default in its own name as Indenture Trustee hereunder;
- (3) such Noteholder has offered to the Indenture Trustee adequate indemnity or security satisfactory to the Indenture Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- (4) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity or security has failed to institute any such proceeding; and
- (5) an Event of Default shall have occurred and be continuing;

it being understood and intended that no one or more of such Noteholders shall have any right in any manner whatever by virtue of, or by availing itself or themselves of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Noteholders, or to obtain or to seek to obtain priority or preference over any other of such Noteholders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Noteholders. Subject to the foregoing restrictions, the Noteholders may exercise their rights under this Section 4.06 independently.

Section 4.07 Unconditional Right of Noteholders to Receive Principal and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Note at Maturity shall have the right, which is absolute and unconditional, to receive payments of interest, principal and other amounts then due on such Note (subject to Section 2.15) and to institute suit for the enforcement of any such payment (subject to Section 4.06), and such rights shall not be impaired without the consent of such Noteholder, unless a non-payment has been cured pursuant to the second paragraph of Section 4.02. The Issuer shall, however, be subject to only one consolidated lawsuit by the Noteholders, or by the Indenture Trustee on behalf of the Noteholders, for any one cause of action arising under this Indenture or otherwise.

Section 4.08 Restoration of Rights and Remedies.

If the Indenture Trustee or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued, waived, rescinded or abandoned for any reason, or has been determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Indenture Trustee and the Noteholders shall be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Noteholders shall continue as though no such proceeding had been instituted.

Section 4.09 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.11, no right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 4.10 Delay or Omission Not Waiver.

No delay or omission of the Indenture Trustee or any Noteholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Indenture or by law to the Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, to the extent permitted by applicable law, by the Indenture Trustee or the Noteholders, as the case may be.

Section 4.11 Control by Requisite Majority.

The Requisite Majority shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee under Section 4.04, or exercising any trust or power conferred on the Indenture Trustee (including, without limitation, the exercise of its rights under any Account Control Agreement); provided, that such direction shall not be in conflict with any rule of law or with this Indenture or involve the Indenture Trustee in personal liability; provided, further, that the Indenture Trustee may take any other action deemed proper by the Indenture Trustee which is not inconsistent with such direction.

Section 4.12 Waiver of Past Defaults.

Prior to the acceleration of the Maturity of the Notes, the Requisite Majority may waive any past default hereunder and its consequences, except a default:

- (1) in the distribution of principal or interest on any Note, for which a waiver shall require the consent of Noteholders holding 100% of the Outstanding Principal Balance of all Notes affected thereby;

(2) in respect of a covenant or provision hereof which under ARTICLE VIII cannot be modified or amended without the consent of the Holder of each Note affected thereby, for which a waiver shall require the consent by each such Holder;

(3) depriving the Indenture Trustee of a lien on any part the Collateral, for which a waiver shall require the consent of the Indenture Trustee; or

(4) depriving the Indenture Trustee of any fees, reimbursement, or indemnification, to which the Indenture Trustee is entitled, for which a waiver shall require the written consent of the Indenture Trustee.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom (and any Early Amortization Period resulting therefrom) shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon. Any costs or expenses incurred by the Indenture Trustee in connection with such waiver shall be reimbursable to the Indenture Trustee from amounts on deposit in the Payment Account.

Section 4.13 Undertaking for Costs.

All parties to this Indenture agree, and each Noteholder and Note Owner by its acceptance of such Note or an Ownership Interest therein shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, a court in its discretion may require, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. The provisions of this Section 4.13 shall not apply to any suit instituted by the Indenture Trustee, to any suit instituted by any Noteholder or group of Noteholders holding in the aggregate at least 25% of the Outstanding Principal Balance, or to any suit instituted by any Noteholder pursuant to Section 4.07.

Section 4.14 Waiver of Stay or Extension Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim to take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of such law and covenants that it will not hinder, delay or impede the exercise of any power herein granted to the Indenture Trustee, but will suffer and permit the exercise of every such power as though no such law had been enacted.

Section 4.15 Sale of Collateral.

(a) The power to effect any public or private sale of any portion of the Collateral Pool pursuant to Section 4.03 or Section 4.04 shall not be exhausted by any one or more sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until either the entirety of the Collateral Pool shall have been sold or all amounts payable on the Notes and under this Indenture with respect thereto shall have been paid. The Indenture Trustee may from time to time postpone any sale by public announcement made at the time and place of such sale. The Indenture Trustee hereby expressly waives its right to any amount fixed by law as compensation for any such sale but such waiver does not apply to any amounts to which the Indenture Trustee is otherwise entitled under Section 5.04.

(b) Subject to Section 4.15(c), the Indenture Trustee shall not sell the Collateral included in the Collateral Pool pursuant to Section 4.03 or Section 4.04, unless:

- (i) the Requisite Majority consents to or directs the Indenture Trustee to make the related sales; or
- (ii) the proceeds of such liquidation would be greater than or equal to the Outstanding Principal Balance.

The foregoing provisions of this Section 4.15 shall not preclude or limit the ability of the Indenture Trustee or its designee to purchase all or any portion of the Collateral at any sale, public or private, and the purchase by the Indenture Trustee or its designee of all or any portion of the Collateral at any sale shall not be deemed a sale or disposition thereof for purposes of this Section 4.15(b).

(c) In the event that the Notes is not fully paid on the Final Payment Date, the Noteholders holding more than 25% of the Outstanding Principal Balance shall have the right to require the sale of the Collateral, subject to Section 4.15(b) and Section 4.15(d).

(d) In connection with a sale of all or any portion of the Collateral Pool:

(i) any Holder or Holders of Notes may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Notes or claims for interest thereon in lieu of cash up to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Notes, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show such partial payment;

(ii) the Indenture Trustee shall execute and deliver, without recourse, an appropriate instrument of conveyance transferring its interest in any portion of the Collateral Pool in connection with a sale thereof;

(iii) the Indenture Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey any the Issuer's interest in any portion of the Collateral Pool in connection with a sale thereof, and to take all action necessary to effect such sale;

(iv) no purchaser or transferee at such a sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys; and

(v) no purchaser or transferee at such a sale shall have been a prior owner of such Collateral if such prior owner was MBC or an Affiliate thereof.

Section 4.16 Action on Notes.

The Indenture Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Collateral Pool.

**ARTICLE V
THE INDENTURE TRUSTEE**

Section 5.01 Certain Duties and Responsibilities.

(a) The Issuer hereby irrevocably constitutes and appoints the Indenture Trustee, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in place and stead of the Issuer and in the name of the Issuer or in its own name or in the name of a nominee, from time to time in the Indenture Trustee's discretion, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Indenture, all as set forth in this Section 5.01.

(b) The rights, duties and liabilities of the Indenture Trustee in respect of this Indenture shall be as follows:

(i) The Indenture Trustee shall have the full power and authority to do all things not inconsistent with the provisions of this Indenture that it may deem advisable in order to enforce the provisions hereof or to take any action with respect to a default or an Event of Default hereunder, or to institute, appear in or defend any suit or other proceeding with respect hereto, or to protect the interests of the Noteholders. The Issuer shall prepare and file or cause to be filed, at the Issuer's expense, a UCC Financing Statement and any continuation statements, describing the Issuer as debtor, the Indenture Trustee as secured party and the Collateral included in the Collateral Pool as the collateral, in all appropriate locations in the State of New York promptly following the issuance of the Notes, and within six months prior to each fifth anniversary of the original filing. The Indenture Trustee is hereby authorized and obligated to make, at the expense of the Issuer, all required filings and refilings with respect to which the Indenture Trustee receives written direction from the Issuer, necessary to preserve the liens created by this Indenture as provided herein. The Indenture Trustee shall not be required to take any action to exercise or enforce the trusts hereby created which, in the opinion of the Indenture Trustee, shall be likely to involve expense or liability to the Indenture Trustee, unless the Indenture Trustee shall have received an agreement satisfactory to it in its reasonable discretion to indemnify it against such liability and expense. Except as otherwise expressly provided herein, the Indenture Trustee shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements contained herein, or in any other instruments to be performed or observed by the Issuer.

(ii) Subject to the other provisions of this ARTICLE V, the Indenture Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Indenture Trustee that are specifically required to be furnished pursuant to any provisions of this Indenture, shall examine them to determine whether they are on their face in the form required by this Indenture to the extent expressly set forth herein. If any such instrument is found on its face not to conform to the requirements of this Indenture in a material manner, the Indenture Trustee shall take such action as it deems appropriate to have the instrument corrected. The Indenture Trustee shall not incur any liability in acting upon any signature, notice, request, consent, certificate, opinion, or other instrument reasonably believed by it to be genuine. In administering the trusts hereunder, the Indenture Trustee may execute any of the trusts or powers hereunder directly or through its agents or attorneys; provided, that it shall remain liable for the acts of all such agents and attorneys. The Indenture Trustee may, at its own expense (except as otherwise provided in Section 5.04), consult with counsel, accountants and other professionals to be selected and employed by it, and the Indenture Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice of any such Person nor for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Indenture Trustee was negligent in ascertaining the pertinent facts.

(iii) The Indenture Trustee shall not, except as otherwise provided in Section 5.01(b)(i), have any duty to make, arrange or ensure the completion of any recording, filing or registration of any instrument or other document (including any UCC Financing Statements), or any amendments or supplements to any of said instruments or to determine if any such instrument or other document is in a form suitable for recording, filing or registration, and the Indenture Trustee shall not have any duty to make, arrange or ensure the completion of the payment of any fees, charges or taxes in connection therewith.

(iv) Whenever in performing its duties hereunder, the Indenture Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee may, in the absence of bad faith on the part of the Indenture Trustee, rely upon (unless other evidence in respect thereof be specifically prescribed herein) an Officer's Certificate of the Issuer and such Officer's Certificate shall be full warrant to the Indenture Trustee for any action taken, suffered or omitted by it on the faith thereof.

(v) The Indenture Trustee shall not have any obligation to see to the payment or discharge of any liens (other than the liens of this Indenture and the Mortgages) upon the Collateral included in the Collateral Pool, or to see to the application of any payment of the principal of or interest on any Note secured thereby or to the delivery or transfer to any Person of any property released and from any such lien, or to give notice to or make demand upon any mortgagor, mortgagee, trustor, beneficiary or other Person for the delivery or transfer of any such property. The Indenture Trustee (and any successor trustee or co-trustee in its individual capacity) nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any liens or encumbrances on the Collateral included in the Collateral Pool, arising as a result of the Indenture Trustee (or such successor trustee or co-trustee, as the case may be) acting negligently, in bad faith or with willful misconduct in its capacity as Indenture Trustee (or such successor trustee or co-trustee, as the case may be).

(vi) The Indenture Trustee shall not be concerned with or accountable to any Person for the use or application of any deposited moneys or of any property or securities or the proceeds thereof that shall be released or withdrawn in accordance with the provisions hereof or of any property or securities or the proceeds thereof that shall be released from the lien hereof or thereof in accordance with the provisions hereof or thereof and the Indenture Trustee shall not have any liability for the acts of other parties that are not in accordance with the provisions hereof.

(c) The rights, duties and liabilities of the Indenture Trustee in respect of the Collateral Pool and this Indenture, in addition to those set forth in Section 5.01(a), shall be as follows:

(i) except during the continuance of an Event of Default with respect to the Notes, the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; and

(ii) the Indenture Trustee may, in the absence of bad faith on its part, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture or any other Transaction Document, as applicable; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture, to the extent expressly set forth herein.

(d) Subject to Section 4.12, in case an Event of Default known to the Indenture Trustee with respect to the Notes has occurred and is continuing, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(e) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsections (b), (c) or (d) of this Section 5.01;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Indenture Trustee was negligent in ascertaining the pertinent facts;

(iii) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the directions of any applicable party pursuant to a Transaction Document, the Requisite Majority (unless a lower or higher percentage of Noteholders is expressly permitted or required to authorize such action hereunder, in which case such lower or higher percentage) of the Outstanding Principal Balance, as the case may be, relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising or omitting exercise any trust or power conferred upon the Indenture Trustee, under this Indenture with respect to the Notes; and

(iv) the Indenture Trustee shall not be required to take notice or be deemed to have notice or knowledge of a default in the observance of any covenant contained in Section 9.06 or ARTICLE X unless either (1) a Responsible Officer of the Indenture Trustee shall have actual knowledge of such default or (2) written notice of such default shall have been given by the Issuer or by any Noteholder to and received by a Responsible Officer of the Indenture Trustee. In the absence of receipt of such notice or actual knowledge the Indenture Trustee may conclusively assume that there is no default or Event of Default.

The Indenture Trustee shall perform the duties and obligations specified to be performed by the Indenture Trustee in this Indenture and in the other Transaction Documents.

Section 5.02 Notice of Defaults.

The Indenture Trustee, promptly but not later than two (2) Business Days after a Responsible Officer of the Indenture Trustee acquires actual knowledge of the occurrence of any default under this Indenture, shall notify the Issuer and the Noteholders of any such default (a “**Notice of Default**”), unless all such defaults known to the Indenture Trustee shall have been cured before the giving of such notice or unless the same is rescinded and annulled, or waived by the Requisite Majority pursuant to Section 4.02 or Section 4.12. For the purpose of this Section 5.02, the term “default” means any event which is, or after notice, or direction of the Requisite Majority or lapse of time would become, an Event of Default with respect to the Notes.

Section 5.03 Certain Rights of Indenture Trustee.

Subject to the provisions of Section 5.01, in connection with this Indenture:

(a) the Indenture Trustee may request and rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties as may be required by such party or parties pursuant to the terms of this Indenture or any other Transaction Document, as applicable;

(b) any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by the Issuer Request or Issuer Order and any resolution of the board of directors of the Issuer may be sufficiently evidenced by a Resolution;

(c) whenever in the administration of this Indenture the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) the Indenture Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel rendered thereby shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, coupon, other evidence of indebtedness or other paper or document, but the Indenture Trustee in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney;

(f) the Indenture Trustee may, at its own expense (except as otherwise provided in Section 5.04), execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys of the Indenture Trustee; provided, that it shall remain liable for the acts of all such attorneys and agents;

(g) the Indenture Trustee shall not be required to provide any surety or bond of any kind in connection with the execution or performance of its duties hereunder;

(h) except with respect to the representations made by it in Section 5.05, the Indenture Trustee shall not make any representations as to the validity or sufficiency of this Indenture;

(i) the Indenture Trustee shall not at any time have any responsibility or liability with respect to the legality, validity or enforceability of the Collateral included in the Collateral Pool other than its failure to act in accordance with the terms of this Indenture;

(j) the Indenture Trustee shall be under no obligation to exercise any of the powers vested in it by this Indenture or any other Transaction Document, as applicable, or to institute, conduct or defend any litigation hereunder or in relation hereto at the request, order or direction of any of the Noteholders, pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Indenture Trustee security or indemnity satisfactory to the Indenture Trustee against the costs, expenses and liabilities which may be incurred therein or thereby (which in the case of the Requisite Majority will be deemed to be satisfied by a letter agreement with respect to such costs from such Noteholders); nothing contained herein shall, however, relieve the Indenture Trustee of the obligation, upon the occurrence of an Event of Default of which a Responsible Officer of the Indenture Trustee shall have actual knowledge, and such Event of Default having not been cured, to exercise such of the rights and powers vested in it by this Indenture, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs;

(k) the Indenture Trustee shall not be personally liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or the rights and powers conferred upon it by this Indenture;

(l) the right of the Indenture Trustee to perform any discretionary act enumerated in this Indenture shall not be construed as a duty, and the Indenture Trustee shall not be answerable for other than its own negligence or willful misconduct in the performance of such act;

(m) the Indenture Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability for the performance of any of its duties hereunder or the exercise of any of its rights or powers if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not assured to it;

(n) the right of the Indenture Trustee to perform any discretionary act enumerated in this Indenture shall not be construed as a duty, and Indenture Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of such act;

(o) to help the U.S. government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, the Indenture Trustee will ask for information that will allow the Indenture Trustee to identify relevant parties. The parties hereto hereby acknowledge such information disclosure requirements and agree to comply with all such information disclosure requests from time to time from the Indenture Trustee; and

(p) the Indenture Trustee shall have the right to require that any directions, instructions or notices provided to it by any Noteholder be signed by an Authorized Person (as hereinafter defined), be provided on corporate letterhead, be notarized or contain a medallion signature guarantee, or contain such other evidence as may be reasonably requested by the Indenture Trustee to establish the identity and/or signatures thereon. The identity of such Authorized Persons, as well as their specimen signatures, title, telephone number and e-mail address, shall be delivered to the Indenture Trustee in the list of authorized signers form as set forth on Exhibit F and shall remain in effect until the applicable party, or an entity acting on its behalf, notifies the Indenture Trustee of any change thereto (the person(s) so designated from time to time, the “**Authorized Persons**”).

Section 5.04 Compensation; Reimbursement; Indemnification.

(a) The Issuer hereby agrees:

(1) to pay or cause to be paid to the Indenture Trustee, in accordance with the terms of this Indenture, monthly, the related Indenture Trustee Fee as compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); and

(2) to reimburse, indemnify or cause to be indemnified and hold harmless the Indenture Trustee and its directors, officers, employees, agents, Affiliates and Control Persons for any loss, liability, claim, expense or disbursements (including without limitation costs and expenses of litigation, and of investigation, reasonable counsel fees, damages, judgments and amounts paid in settlement): (A) incurred in connection with any act (including any actions taken by the Indenture Trustee or its agents pursuant to ARTICLE IV) or omission on the part of the Indenture Trustee with respect to this Indenture (and the transactions contemplated in connection herewith), any other Transaction Documents, the Collateral Pool (including but not limited to protecting its interest in such Collateral or collecting any amount payable thereunder or in enforcing its rights with respect to such Collateral, whether or not any legal proceeding is commenced hereunder or under the Mortgages) or the Notes, in each case, other than any loss, liability or expense incurred by reason of willful misfeasance, bad faith or negligence in the performance of the Indenture Trustee's obligations or duties under this Indenture; (B) arising out of or in any way relating to any one or more of the following: (I) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about any Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (II) any use, non-use or condition in, on or about any Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (III) performance of any labor or services or the furnishing of any materials or other property in respect of any Mortgaged Property or any part thereof; and (IV) any failure of any Mortgaged Property to be in compliance with any Applicable Laws; or (C) arising out of or in any way relating to any tax on the making and/or recording of any Mortgage.

With respect to any third party claim:

- (ii) the Indenture Trustee shall give the Issuer written notice thereof promptly after the Indenture Trustee shall have knowledge thereof;
- (iii) while maintaining control over its own defense, the Indenture Trustee shall cooperate and consult fully with the Issuer in preparing such

defense; and

(iv) notwithstanding the foregoing provisions of this Section 5.04(a), the Indenture Trustee shall not be entitled to reimbursement out of the Payment Account for settlement of any such claim by the Indenture Trustee entered into without the prior written consent of the Issuer, which consent shall not be unreasonably withheld.

The provisions of this Section 5.04(a) shall survive the termination of this Indenture and the resignation or termination of the Indenture Trustee.

The Indenture Trustee agrees to fully perform its duties under this Indenture notwithstanding any failure on the part of any of the Issuer to make any payments, reimbursements or indemnifications to the Indenture Trustee pursuant to this Section 5.04(a); provided, however, that (subject to Section 5.04(b)) nothing in this Section 5.04 shall be construed to limit the exercise by the Indenture Trustee of any right or remedy permitted under this Indenture in the event of any the Issuer's failure to pay any sums due the Indenture Trustee pursuant to this Section 5.04.

(b) The Indenture Trustee shall not institute any proceeding seeking the enforcement of any lien against the Collateral Pool unless (i) such proceeding is in connection with a proceeding in accordance with ARTICLE IV for enforcement of the lien of this Indenture for the benefit of the Noteholders after the occurrence of an Event of Default (other than an Event of Default due solely to a breach of this Section 5.04) and a resulting declaration of acceleration of such Notes that has not been rescinded and annulled, or (ii) such proceeding does not and will not result in or cause a sale or other disposition of the Collateral included in the Collateral Pool.

Section 5.05 Representations and Warranties of Indenture Trustee.

The Indenture Trustee represents and warrants as follows:

(a) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New Jersey, and is authorized under such laws and its constituting documents to execute and deliver this Indenture and the Transaction Documents to which it is a party, and to perform its obligations hereunder and under such Transaction Documents;

(b) it has the full limited liability company power and authority to execute and deliver this Indenture and such Transaction Documents, and to perform its obligations hereunder and under such Transaction Documents, and this Indenture and such Transaction Documents have been duly executed and delivered by the Indenture Trustee;

(c) the execution and delivery of this Indenture and such Transaction Documents by the Indenture Trustee and the performance of its obligations hereunder and thereunder has been duly authorized and approved by its board of managers or other governing body and does not require any consent, approval, authorization or order of, filing with or notice to any Governmental Authority or any other Person under any statute or regulation applicable to the Indenture Trustee;

(d) this Indenture and such Transaction Documents valid and legal binding obligations of the Indenture Trustee, enforceable against it in accordance with their respective Indenture's terms, as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(e) the execution and delivery of this Indenture and such Transaction Documents by the Indenture Trustee and the performance of its obligations hereunder and thereunder will not result in any breach or violation of its constituting documents, any statute or regulation of the United States or the States of New Jersey or New York applicable to the Indenture Trustee; and

(f) the Notes have been duly authenticated and delivered by the Indenture Trustee in accordance with this Indenture.

Section 5.06 Merger, Conversion, Consolidation or Succession to Business.

Any corporation, bank, trust company or association into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation, bank, trust company or association resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation, bank, trust company or association succeeding to all or substantially all the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder; provided, that such corporation, bank, trust company or association shall be otherwise qualified and eligible under this ARTICLE V, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 5.07 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee pursuant to this ARTICLE V shall become effective until (i) the acceptance of appointment by the successor Indenture Trustee in accordance with the applicable requirements of Section 5.08 and (ii) payment to the predecessor Indenture Trustee of all unpaid fees and expenses.

(b) Subject to Section 5.07(a), the Indenture Trustee may be removed at any time with respect to the Notes by the Requisite Majority and notice of such action by the Noteholders shall be delivered to the Indenture Trustee and the Issuer.

(c) If at any time:

(i) the representations of the Indenture Trustee in Section 5.05 shall prove to be untrue in any material respect, and the Indenture Trustee shall fail to resign after written request therefor by the Issuer or the Noteholders of 10% of the Outstanding Principal Balance; or

(ii) the Indenture Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Indenture Trustee or of its property shall be appointed or any public officer shall take charge or control of the Indenture Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in either such case, (1) the Issuer, may, by written notice, remove the Indenture Trustee, or (2) subject to Section 4.13, any Noteholder may, on its own behalf and on behalf of all others similarly situated, petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(d) If the Indenture Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Indenture Trustee for any reason (including removal), the Issuer, with the consent of the Requisite Majority, shall promptly appoint a successor Indenture Trustee, who shall comply with the applicable requirements of Section 5.08. If, within 60 days after such resignation, or incapacity, or the occurrence of such vacancy, a successor Indenture Trustee shall not have been appointed by the Issuer, and shall not have accepted such appointment in accordance with the applicable requirements of Section 5.08, then a successor Indenture Trustee shall be appointed by act of the Requisite Majority delivered to the Issuer and the retiring Indenture Trustee, and the successor Indenture Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 5.08, become the successor Indenture Trustee with respect to the Notes. If the Indenture Trustee shall resign pursuant to this Section 5.07, then such resigning Indenture Trustee must pay all costs and expenses associated with the transfer of its duties. If the Indenture Trustee shall be removed pursuant to this Section 5.07, then the party requesting such removal of the Indenture Trustee shall pay all costs and expenses associated with the transfer of its duties.

If, within 120 days after such resignation, removal or incapacity, or the occurrence of such vacancy, no successor Indenture Trustee shall have been so appointed and accepted appointment in the manner required by Section 5.08, the resigning Indenture Trustee may, on its own behalf, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(e) The Issuer shall give notice of any resignation or removal of the Indenture Trustee and the appointment of a successor Indenture Trustee by giving notice of such event to the Noteholders. Each notice shall include the name of the successor Indenture Trustee and the address of its corporate trust office.

Section 5.08 Acceptance of Appointment by Successor.

In case of the appointment hereunder of a successor Indenture Trustee, the successor Indenture Trustee so appointed shall execute, acknowledge and deliver to the Issuer and to the retiring Indenture Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Indenture Trustee; but, on the request of the Issuer or the successor Indenture Trustee, such retiring Indenture Trustee shall, upon payment of its fees, execute and deliver an instrument transferring to such successor Indenture Trustee all the rights, powers and trusts of the retiring Indenture Trustee, shall duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such retiring Indenture Trustee hereunder, and shall take such action as may be requested by the Issuer to provide for the appropriate interest in the Collateral Pool (including, without limitation, the Mortgages) to be vested in such successor Indenture Trustee, but shall not be responsible for the recording of such documents and instruments as may be necessary to give effect to the foregoing.

Upon request of any such successor Indenture Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Indenture Trustee all such rights, powers and trusts referred to in this Section.

No successor Indenture Trustee shall accept its appointment unless at the time of such acceptance such successor Indenture Trustee shall be qualified and eligible under this Article.

Section 5.09 Unclaimed Funds.

The Indenture Trustee is required to hold any payments received by it with respect to the Notes that are not paid to the Noteholders in trust for the Noteholders. Notwithstanding the foregoing, at the expiration of three years following the Final Payment Date for the Notes any moneys set aside in accordance with Section 2.15(b) for payment of principal, interest and other amounts on such Notes remaining unclaimed by any lawful owner thereof, and, to the extent required by applicable law, any accrued interest thereon shall be remitted to the Issuer, as their interest may appear, to be held in trust by the Issuer for the benefit of the applicable Noteholder until distributed in accordance with applicable law, and all liability of the Indenture Trustee with respect to such money shall thereupon cease; provided, that the Indenture Trustee, before being required to make any such remittance, may, at the expense of the applicable Noteholder, payable out of such unclaimed funds, to the extent permitted by applicable law, and otherwise at the expense of the Issuer payable out of the Collateral Pool, cause to be published at least once but not more than three times in two newspapers in the English language customarily published on each Business Day and of general circulation in New York, New York, a notice to the effect that such moneys remain unclaimed and have not been applied for the purpose for which they were deposited, and that after a date specified therein, which shall be not less than 30 days after the date of first publication of said notice, any unclaimed balance of such moneys then remaining in the hands of the Indenture Trustee will be paid to the Issuer upon their written directions to be held in trust for the benefit of the applicable Noteholder until distributed in accordance with applicable law. Any successor to the Issuer through merger, consolidation or otherwise or any recipient of substantially all the assets of the Issuer in a liquidation of the Issuer shall remain liable for the amount of any unclaimed balance paid to the Issuer pursuant to this Section 5.09.

Section 5.10 Illegal Acts.

No provision of this Indenture or any amendment or supplement hereto shall be deemed to impose any duty or obligation on the Indenture Trustee to do any act in the performance of its duties hereunder or to exercise any right, power, duty or obligation conferred or imposed on it, which under any present or future law shall be unlawful, or which shall be beyond the corporate powers, authorization or qualification of the Indenture Trustee.

Section 5.11 Communications by the Indenture Trustee.

The Indenture Trustee, if any principal of or interest on any Notes due and payable hereunder is not paid, shall send to the Issuer, within one (1) Business Day after such payment was due, a written demand for payment thereon.

Section 5.12 Separate Indenture Trustees and Co-Trustees.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting legal requirements applicable to it in the performance of its duties hereunder, the Indenture Trustee shall have the power to, and shall execute and deliver all instruments to, appoint one or more Persons to act as separate trustees or co-trustees hereunder, jointly with the Indenture Trustee, of any portion of the Collateral Pool subject to this Indenture, and any such Persons shall be such separate trustee or co-trustee, with such powers and duties consistent with this Indenture as shall be specified in the instrument appointing such Person but without thereby releasing the Indenture Trustee from any of its duties hereunder. If the Indenture Trustee shall request the Issuer to do so, the Issuer shall join with the Indenture Trustee in the execution of such instrument, but the Indenture Trustee shall have the power to make such appointment without making such request.

(b) Every separate trustee and co-trustee shall, to the extent not prohibited by law, be subject to the following terms and conditions:

(i) the rights, powers, duties and obligations conferred or imposed upon such separate or co-trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate or co-trustee jointly, as shall be provided in the appointing instrument, except to the extent that under any law of any jurisdiction in which any particular act is to be performed any nonresident trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate trustee or co-trustee at the direction of the Indenture Trustee;

(ii) all powers, duties, obligations and rights conferred upon the Indenture Trustee, in respect of the custody of all cash deposited hereunder shall be exercised solely by the Indenture Trustee; and

(iii) the Indenture Trustee may at any time by written instrument accept the resignation of or remove any such separate trustee or co-trustee, and, upon the request of the Indenture Trustee, the Issuer shall join with the Indenture Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal, but the Indenture Trustee shall have the power to accept such resignation or to make such removal without making such request. A successor to a separate trustee or co-trustee so resigning or removed may be appointed in the manner otherwise provided herein.

(c) Such separate trustee or co-trustee, upon acceptance of such trust, shall be vested with the estates or property specified in such instruments, jointly with the Indenture Trustee, and the Indenture Trustee shall take such action as may be necessary to provide for (i) the appropriate interest in the Collateral Pool to be vested in such separate trustee or co-trustee, and (ii) the execution and delivery of any transfer documentation or bond powers that may be necessary to give effect to the transfer of the lien of this Indenture and the Mortgages to the co-trustee. Any separate trustee or co-trustee may, at any time, by written instrument constitute the Indenture Trustee, its agent or attorney-in-fact with full power and authority, to the extent permitted by law, do all acts and things and exercise all discretion authorized or permitted by it, for and on behalf of it and in its name. If any separate trustee or co-trustee shall be dissolved, become incapable of acting, resign, be removed or die, all the estates, property, rights, powers, trusts, duties and obligations of said separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Indenture Trustee, without the appointment of a successor to said separate trustee or co-trustee, until the appointment of a successor to said separate trustee or co-trustee is necessary as provided in this Indenture.

(d) Any notice, request or other writing, by or on behalf of any Noteholder, delivered to the Indenture Trustee shall be deemed to have been delivered to all separate trustees and co- trustees.

(e) Although co-trustees may be jointly liable, no co-trustee or separate trustee shall be severally liable by reason of any act or omission of the Indenture Trustee or any other such trustee hereunder.

(f) No appointment of a separate trustee or co-trustee pursuant to this Section 5.12 shall relieve the Indenture Trustee of any of its obligations, duties or responsibilities hereunder in any way or to any degree.

ARTICLE VI REPORTS TO NOTEHOLDERS

Section 6.01 Reports to Noteholders and Others.

(a) Based on information with respect to the Mortgaged Properties and Mortgage Loans provided to the Indenture Trustee by MBC and the Issuer pursuant to this Indenture (and the Indenture Trustee's calculations based on such information and the Indenture Trustee's records with respect to the Notes), the Indenture Trustee shall prepare, or cause to be prepared, and make available either in electronic format or by first class mail on each Payment Date, or as soon thereafter as is practicable, to the Issuer, the Underwriter, each Noteholder and any other Person upon the direction of the Issuer a statement in respect of the payments made on such Payment Date setting forth the information set forth in Exhibit G hereto (the "**Trustee Report**"). The Indenture Trustee's internet website will be located at www.wvstr.com or at such other address as the Indenture Trustee shall notify the parties hereto from time to time. For assistance with the Indenture Trustee's internet website, Noteholders may call (201) 820-2008.

The Indenture Trustee shall not be liable for having disseminated information in accordance with this Indenture.

The Indenture Trustee shall be entitled to rely on and shall not be responsible for the content or accuracy of any information provided by third parties for purposes of preparing the Trustee Report and may affix thereto any disclaimer it deems appropriate in its reasonable discretion (without suggesting liability on the part of any other party hereto).

(b) Within a reasonable period of time after the end of each calendar year (but in no event more than 60 days following the end of such calendar year), the Indenture Trustee shall prepare, or cause to be prepared, and make available either in electronic format or by first class mail to each Person who at any time during the calendar year was a Noteholder (i) a statement containing the aggregate amount of principal and interest payments on the Notes for such calendar year or applicable portion thereof during which such person was a Noteholder and (ii) such other customary information as the Indenture Trustee deems necessary or desirable for Noteholders to prepare their federal, state and local income tax returns including, without limitation (and to the extent provided to it by the Issuer which shall so cause such information to be provided), the amount of original issue discount accrued on the Notes, if applicable. The obligations of the Indenture Trustee in the immediately preceding sentence shall be deemed to have been satisfied to the extent that substantially comparable information has been provided by the Indenture Trustee.

Section 6.02 Access to Certain Information.

(a) The Indenture Trustee shall afford to the Noteholders, the Issuer, and any regulatory authority that may exercise authority over any Noteholder, access to any documentation regarding the Collateral Pool within its control. Such access shall be afforded without charge but only upon reasonable prior written request and during normal business hours at the offices of the Indenture Trustee designated by it.

(b) The Indenture Trustee shall maintain at its office primarily responsible for administration of the Collateral Pool and shall deliver to the Issuer and, subject to the succeeding paragraph, any Noteholder or Note Owner or Person identified to the Indenture Trustee as a prospective transferee of a Note or an Ownership Interest therein (at the reasonable request and expense of the requesting party), copies of the following items (to the extent that such items have been delivered to the Indenture Trustee or the Indenture Trustee can cause such items to be delivered to it without unreasonable burden or expense): (i) the Prospectus, in the form most recently provided to the Indenture Trustee by the Issuer or by any Person designated by the Issuer; (ii) this Indenture, any Asset Purchase Agreement and any amendments hereto or thereto; (iii) all reports prepared by, and all reports delivered to, the Indenture Trustee since the Closing Date; (iv) all Officer's Certificates delivered by the Issuer since the Closing Date pursuant to Section 9.09 and all Officer's Certificates delivered by the Issuer since the Closing Date pursuant to Section 9.09; (v) all accountants' reports caused to be delivered by the Issuer since the Closing Date pursuant to Section 9.10; (vi) all Determination Date Reports since the Closing Date prepared pursuant to Section 9.11(a); and (vii) the Mortgage Loan Files, including any and all modifications, waivers and amendments of the terms of each Mortgage Loan entered into or consented to by the Issuer and delivered to the Indenture Trustee pursuant to Section 10.08(c) or otherwise. The Indenture Trustee shall make available copies of any and all of the foregoing items upon written request of any party set forth in the previous sentence. However, the Indenture Trustee shall be permitted to require of such party the payment of a sum sufficient to cover the reasonable costs and expenses of providing such copies as are requested by such party.

The Indenture Trustee will make available, upon reasonable advance notice and at the expense of the requesting party, copies of the above items to any Noteholder or Note Owner and to prospective purchasers of Notes.

(c) The Indenture Trustee shall not be liable for any dissemination of information made in accordance with Section 6.02(a) or Section 6.02(b).

(d) The Issuer shall permit agents, representatives and employees of the Indenture Trustee to inspect the Mortgaged Properties or any part thereof at reasonable hours upon reasonable advance notice, subject to the applicable Mortgage Loans.

**ARTICLE VII
REDEMPTION**

Section 7.01 Optional Redemption.

(a) The Issuer, at its option, may redeem the Notes, in whole or in part, on any Payment Date on or after April 22, 2019 (any such Payment Date, the “**Redemption Date**”) at the redemption prices (expressed as percentages of principal amount), set forth below, plus accrued and unpaid interest thereon up to, but not including, the Redemption Date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on the relevant Payment Date), if redeemed during the periods set forth below:

Redemption Date occurs:	Redemption Price:
On or after April 22,2019 but prior to April 22, 2020	103.0%
On or after April 22, 2020 but prior to April 22, 2021	101.5%
On and after April 22, 2021	100.0%

(b) In the event that less than all of the Notes are to be redeemed at any time pursuant to an optional redemption, selection of such Notes for redemption will be made by the Indenture Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a *pro rata* basis, unless prohibited by stock exchange or other applicable rule or regulation, and if *pro rata* redemption is so prohibited, by lot or by such method as the Indenture Trustee shall deem fair and appropriate; provided, however, that no Notes of a principal amount of \$1,000 or less shall be redeemed in part.

(c) At least 10 days, and no more than 20 days, before a Redemption Date, the Issuer shall mail, or cause to be mailed, a notice of redemption by first-class mail to each Holder of Notes to be redeemed at his or her last address as the same appears on the registry books maintained by the Registrar pursuant to Section 2.06(a) or otherwise delivered within such period in accordance with the applicable procedures of the Depository.

The notice shall identify the Notes to be redeemed (including the CUSIP numbers thereof) and shall state:

- (i) the Redemption Date;
- (ii) the redemption price and the amount of premium and accrued interest to be paid;
- (iii) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date and upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued;

- (iv) the name and address of the Paying Agent;
- (v) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
- (vi) that unless the Issuer defaults in making the redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;
- (vii) the provision of the Notes pursuant to which such Notes called for redemption are being redeemed; and
- (viii) the aggregate principal amount of Notes that are being redeemed.

(d) At the Issuer's written request made at least five (5) Business Days prior to the date on which notice is to be given, the Indenture Trustee shall give the notice of redemption in the Issuer's name and at the Issuer's sole expense. Notices of redemption may not be conditional.

(e) Once the notice of redemption described in Section 7.01(c) is mailed, Notes called for redemption shall become due and payable on the Redemption Date and at the redemption price, including any premium, plus interest accrued to, but not including, the Redemption Date. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price, including any premium, plus interest accrued up to, but not including, the Redemption Date; provided that if the Redemption Date is after a regular Record Date and on or prior to the Payment Date, the accrued interest shall be payable to the Holder of the redeemed Notes registered on the relevant Record Date, and provided, further, that if a Redemption Date is not a Business Day, payment shall be made on the next succeeding Business Day and no interest shall accrue for the period from such Redemption Date to such succeeding Business Day.

(f) On or prior to 10:00 a.m., New York City time, on each Redemption Date, the Issuer shall deposit with the Paying Agent in immediately available funds money sufficient to pay the redemption price of, including premium, if any, and accrued interest on all Notes to be redeemed on that date other than Notes or portions thereof called for redemption on that date which have been delivered by the Issuer to the Indenture Trustee for cancellation.

On and after any Redemption Date, if money sufficient to pay the redemption price of, including premium, if any, and accrued interest on Notes called for redemption shall have been made available in accordance with the preceding paragraph, the Notes called for redemption will cease to accrue interest and the only right of the Holders of such Notes will be to receive payment of the redemption price of and, subject to the first proviso in Section 7.01(e), accrued and unpaid interest on such Notes up to, but not including, the Redemption Date. If any Note surrendered for redemption shall not be so paid, interest will be paid, from the Redemption Date until such redemption payment is made, on the unpaid principal of the Note and any interest not paid on such unpaid principal, in each case at the rate and in the manner provided in the Notes.

(g) Upon surrender of a Note that is redeemed in part, the Indenture Trustee shall authenticate for the Holder thereof a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 7.02 Purchase of Notes at Holders' Option.

(a) Notes shall be purchased in cash in whole or in part (provided that no Notes of a principal amount of \$1,000 or less shall be redeemed in part) by the Issuer, at the option of Holders, in accordance with the provisions of this Section 7.02, on April 22, 2021 the “**Put Right Purchase Date**”), for cash at a purchase price equal to 100% of the principal amount of the Notes surrendered plus accrued and unpaid interest thereon up to, but not including, the Put Right Purchase Date (the “**Put Right Purchase Price**”); provided that if the Put Right Purchase Date falls after a Record Date and on or before the related Payment Date, then interest on the Notes payable on such Payment Date will instead be payable to the Holders in whose names the Notes are registered at the close of business on such Record Date.

(b) To exercise its rights pursuant to this Section 7.02, the Holder shall deliver to the Paying Agent a properly completed put right purchase notice (each, a “Put Right Purchase Notice”) at any time from the opening of business on the date that is six (6) months prior to the Put Right Purchase Date until the close of business on the date that is four (4) months prior to the Put Right Purchase Date stating:

(i) if Definitive Notes have been issued, the certificate number of the Note that the Holder will deliver for repurchase (or if the Notes are not Definitive Notes, the Put Right Purchase Notice must comply with the rules and procedures of the Depository to the extent applicable),

(ii) the portion of the Note which the Holder will deliver to be purchased, provided that that no Notes of a principal amount of \$1,000 or less shall be redeemed in part, and

(iii) that such Note shall be purchased as of the Put Right Purchase Date pursuant to the terms and conditions in this Section 7.02 and the Notes.

(c) The Issuer shall pay the Put Right Purchase Price for all Notes with respect to which a Put Right Purchase Notice is given and not validly withdrawn, on the Put Right Purchase Date. Surrender by a Holder of its Notes to be purchased shall be a condition to receipt by such Holder of the Put Right Purchase Price therefor. The Put Right Purchase Price shall be paid pursuant to this Section 7.02 only if the Note delivered to the Paying Agent conforms in all respects to the description thereof in the related Put Right Purchase Notice, as determined by the Issuer.

(d) Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Put Right Purchase Notice contemplated by this Section 7.02 shall have the right to withdraw such Put Right Purchase Notice in whole or in part at any time prior to the close of business on the Business Day immediately preceding the Put Right Purchase Date by delivery of a written notice of withdrawal to the Paying Agent specifying:

(i) the aggregate principal amount the Notes with respect to which such notice of withdrawal is being submitted,

(ii) the certificate number, if any, of the Notes in respect of which such notice of withdrawal is being submitted (or, if the Notes are not Definitive Notes, the withdrawal notice must comply with the rules and procedures of the Depository to the extent applicable), and

(iii) the aggregate principal amount, if any, of such Notes which remains subject to the original Put Right Purchase Notice and which has been or will be delivered for purchase by the Issuer.

(e) The Paying Agent shall promptly notify the Issuer of the receipt by it of any Put Right Purchase Notice or written notice of withdrawal thereof.

(f) On or before 10:00 a.m. New York City time on the Put Right Purchase Date, the Issuer shall deposit with the Indenture Trustee or with the Paying Agent an amount of immediately available funds sufficient to pay the aggregate Put Right Purchase Price of all the Notes or portions thereof which are to be purchased as of the Put Right Purchase Date.

(g) If the Indenture Trustee or the Paying Agent holds, in accordance with the terms hereof, immediately available funds sufficient to pay the Put Right Purchase Price of any Note for which a Put Right Notice has been tendered and not withdrawn, then, from and after the Put Right Purchase Date, such Note will cease to be Outstanding, and interest shall cease to accrue, whether or not such Note is delivered to the Paying Agent, and the rights of the Holder in of such Notes shall terminate (other than the right to receive the Put Right Purchase Price as aforesaid).

(h) The Put Right Purchase Price shall be paid to such Holder with respect to Notes for which a Put Right Purchase Notice has been tendered and not validly withdrawn, subject to receipt of funds by the Indenture Trustee or the Paying Agent, promptly after the later of (i) the Put Right Purchase Date (provided that the conditions in Section 7.02(b) have been satisfied) and (ii) the time of delivery of such Note to the Paying Agent by the Holder thereof in the manner required by Section 7.02(b).

(i) No Notes may be purchased by the Issuer at the option of Holders on a Put Right Purchase Date if there has occurred and is continuing a Default or an Event of Default with respect to the Notes, other than a Default in the payment of the Put Right Purchase Price with respect to such Notes.

ARTICLE VIII SUPPLEMENTAL INDENTURES; AMENDMENTS

Section 8.01 Supplemental Indentures or Amendments Without Consent of Noteholders.

Without the consent of any Noteholder, the parties to each agreement listed below, at any time and from time to time, may enter into one or more indentures supplemental hereto, or one or more amendments hereto or to the Notes, any Guaranty or any other Transaction Documents, as applicable, for any of the following purposes:

(1) to correct any typographical error or cure any ambiguity, or to cure, correct, amend or supplement any provision herein or in the Notes, any Guaranty or any other Transaction Document; provided, that such action shall not adversely affect the interests of the Noteholders in any material respect;

(2) to convey, transfer, assign, mortgage or pledge any property to the Indenture Trustee so long as the interests of the Noteholders would not be adversely affected in any material respect;

(3) to correct any manifestly incorrect description, or amplify the description, of any property subject to the lien of this Indenture;

(4) to modify the Indenture, any Guaranty or any other Transaction Documents as required or made necessary by any change in applicable law, so long as the interests of the Noteholders would not be adversely affected in any material respect;

(5) to add to the covenants of the Issuer, or any other party for the benefit of the Noteholders, or to surrender any right or power conferred upon the Issuer under this Indenture, any Asset Purchase Agreement or any Guaranty;

(6) to add any additional Events of Default hereunder; provided, that such action shall not adversely affect the interests of the Noteholders in any material respect; or

(7) to evidence and provide for the acceptance of appointment by a successor Indenture Trustee.

Without the consent of any Noteholder, the Issuer and the Indenture Trustee, at any time and from time to time, may enter into one or more amendments to any Account Control Agreement.

Section 8.02 Supplemental Indentures With Consent.

With the consent of Requisite Majority, the parties to the agreements listed below may enter into one or more indentures supplemental hereto, or one or more amendments hereto or to the Notes, any Guaranty or any other Transaction Document for the purpose of adding any provisions hereto or thereto, changing in any manner or eliminating any of the provisions hereof or thereof or modifying in any manner the rights of the Noteholders hereunder or thereunder; provided, that no such supplemental indenture or amendment may, without the consent of the Noteholders of 100% of the Outstanding Principal Balance of the Outstanding Notes affected thereby:

(1) change the Final Payment Date or the Payment Date of any principal, interest or other amount on any Note;

(2) reduce the Outstanding Principal Balance of a Note or the applicable Note Rate;

- (3) authorize the Indenture Trustee to agree to delay the timing of, or reduce the payments to be made on or in respect of, the Mortgaged Properties or the Mortgage Loans, except as provided in this Indenture or in any Asset Transfer Agreement;
- (4) change the coin or currency in which the principal of any Note or interest thereon is payable;
- (5) impair the right to institute suit for the enforcement of any such payment on or after the Final Payment Date;
- (6) reduce the percentage of the then Outstanding Principal Balance, the consent of whose Holders is required for any supplemental indenture or amendment, or the consent of whose Holders is required for any waiver of defaults under this Indenture and their consequences provided for in this Indenture, or for any other reason under this Indenture;
- (7) change any obligation of the Issuer to maintain an office or agency in the places and for the purposes set forth in this Indenture;
- (8) except as otherwise expressly provided in this Indenture or in any Asset Purchase Agreement, deprive the Indenture Trustee of the benefit of a first priority security interest in the Collateral included in the Collateral Pool;
- (9) modify Section 2.15; or
- (10) release from the lien of any Asset Purchase Agreement and this Indenture (except as specifically permitted under this Indenture or such Asset Transfer Agreement) all or any portion of the Collateral Pool.

It shall not be necessary for the consent of the Noteholders under this Section 8.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 8.03 Delivery of Supplements and Amendments.

Promptly after the execution by the Issuer and the Indenture Trustee (and any other party, if required) of any supplemental indenture or amendment pursuant to the provisions hereof, the Indenture Trustee, at the expense of the Issuer, payable out of the Collateral Pool pursuant to Section 5.04, shall furnish a notice setting forth in general terms the substance of such supplemental indenture or amendment to each Noteholder at the address for such Noteholder set forth in the Note Register.

Section 8.04 Execution of Supplemental Indentures, Etc.

In executing, or accepting the additional trusts created by, any supplemental indenture or amendment permitted by this Article or in accepting the modifications thereby of the trusts created by this Indenture or in giving any consent to any modification of any Mortgage Loan pursuant to this Indenture, the Indenture Trustee shall be entitled to receive, at the Issuer's expense payable out of the Collateral Pool pursuant to Section 5.04, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture, amendment or modification is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture or amendment or consent to any such modification which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

**ARTICLE IX
COVENANTS; WARRANTIES**

Section 9.01 Maintenance of Office or Agency.

The Issuer shall maintain or cause to be maintained an office or agency in the continental United States where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Indenture Trustee and the Noteholders of the location, and any change in the location, of such office or agency.

Section 9.02 Existence and Good Standing.

Subject to Section 9.11, the Issuer shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and corporate franchises and comply in all material respects with all Legal Requirements applicable to it and the Collateral. There shall never be committed by the Issuer or MBC any act or omission affording any Governmental Authority the right of forfeiture as against any Collateral or any part thereof or any moneys paid in performance of the Issuer's obligations under any of the Transaction Documents. The Issuer hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. The Issuer shall at all times maintain, preserve and protect, or cause to be maintained, preserved and protected, all franchises and trade names and preserve all the remainder of its property required for the conduct of its business and shall keep (or cause the Mortgagor Customers under each applicable Mortgage Loan to keep) the Mortgaged Properties in good working order and repair, and from time to time make, or cause to be made, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto. The Issuer shall keep (or cause the Mortgagor Customers under each applicable Mortgage Loan to keep) the Mortgaged Properties insured at all times by financially sound and reputable insurers, to such extent and against such risks, and maintain liability and such other insurance, as is more fully provided in this Indenture.

Section 9.03 Payment of Taxes and Other Claims.

(a) The Issuer shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all applicable taxes, assessments and governmental charges (the “**Taxes**”) levied or imposed upon the Issuer or upon the income, profits or property of the Issuer, or shown to be due on the tax returns filed by the Issuer, except as set forth in Section 9.03(b); provided, that the Issuer’s failure to pay or discharge Taxes will not cause a forfeiture of, or a lien (other than a Permitted Encumbrance) to encumber, any property included in the Collateral. Upon the written direction of the Issuer, the Indenture Trustee is authorized to pay out of the Payment Account, prior to making payments on the Notes, any such taxes, assessments, governmental charges or claims which, if not paid, would cause a forfeiture or sale of, or a lien (other than a Permitted Encumbrance) to encumber, any property included in the Collateral.

(b) After prior written notice to the Indenture Trustee, the Issuer, at its own expense, may in good faith contest by appropriate Proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any applicable Taxes; provided, that: (i) such Proceeding shall not be precluded by, and be conducted in accordance with the provisions of, any other instrument to which the Issuer is subject and shall not constitute a default thereunder and such Proceeding shall be conducted in accordance with all applicable statutes, laws and ordinances; (ii) no Collateral nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (iii) the Issuer shall promptly upon final determination thereof pay, or cause to be paid, the amount of any such Taxes, together with all costs, interest and penalties which may be payable in connection therewith; (iv) such Proceeding shall suspend the collection of such contested Taxes from the Collateral; and (v) the Issuer shall furnish such security and/or reserves as may be required in the Proceeding as required in accordance with GAAP, to insure the payment of any such Taxes, together with all interest and penalties thereon.

Section 9.04 Title to the Collateral; Lien.

(a) The Issuer shall ensure that all cash at any time owned by the Issuer and held as part of the Collateral Pool is deposited and maintained in the Collection Account, Payment Account or any other account subject to an Account Control Agreement. The Issuer shall not consent to the bank or securities intermediary maintaining any such account to comply with instructions or entitlement orders of any person other than the Indenture Trustee. The Issuer will ensure that the bank or securities intermediary maintaining the Collection Account, the Payment Account or any other account held as part of the Collateral Pool, on or promptly after the establishment of such account, executes and delivers to the Indenture Trustee an Account Control Agreement with respect to such account.

Section 9.05 Protection of Collateral Pool.

The Issuer, and, to the extent directed by the Issuer or the Requisite Majority, the Indenture Trustee, will, at the Issuer’s expense, and without expense to the Indenture Trustee, from time to time execute and deliver all such amendments and supplements hereto (subject to Section 8.01 and Section 8.02) and all such financing statements, continuation statements, instruments of further assurance and other instruments (provided, however, that the Indenture Trustee will not be obligated to prepare or file any such supplements, statements or other instruments), and will take such other action necessary or advisable to:

- (a) Grant more effectively all or any portion of the Collateral Pool;
- (b) maintain or preserve the lien (and the priority thereof) of this Indenture or carry out more effectively the purposes hereof;
- (c) perfect, publish notice of, or protect the validity of any Grant made or to be made by or in this Indenture;

- (d) enforce any of the Mortgage Loans included in the Collateral Pool;
- (e) preserve and defend title to the Collateral included in the Collateral Pool and the rights of the Indenture Trustee in such Collateral against the claims of all Persons and parties; or
- (f) for carrying out the intention or facilitating the performance of the terms of this Indenture.

The Issuer will promptly execute and deliver and hereby authorizes the Indenture Trustee to execute in the name of the Issuer or without the signature of the Issuer to the extent the Indenture Trustee may lawfully do so, one or more financing statements or other instruments, to evidence more effectively the security interest of the Indenture Trustee in the Collateral.

The Issuer grants to the Indenture Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to the Indenture Trustee at law and in equity, including, without limitation, such rights and remedies available to the Indenture Trustee pursuant to this Section 9.05, including for the purpose of executing and delivering any financing statement, continuation statement or other instrument required pursuant to this Section 9.05; provided, that, subject to and consistent with Section 5.01, the Indenture Trustee will not be obligated to prepare or file any such statements or instruments.

Section 9.06 Limitation on Sales of Assets.

- (a) Neither the Issuer nor MBC shall, directly or indirectly, make any Asset Sale, unless:
 - (i) the Issuer or MBC, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of, and
 - (ii) at least 75% of such consideration received by the Issuer or MBC consists of (1) cash or Permitted Investments, (2) assets (other than securities) to be used in a Related Business, (3) with respect to an Asset Sale by MBC, the Capital Stock of any Person engaged in a Related Business that is, or as a result of or in connection with the acquisition of such Capital Stock by MBC becomes a subsidiary of MBC or (4) a combination of cash, Permitted Investments, such assets and such Capital Stock.
- (b) The amount of any notes or other obligations received by the Issuer or MBC from such transferee that are converted, sold or exchanged within one (1) year of the related Asset Sale by the Issuer or MBC into cash or Permitted Investments shall be deemed to be cash, in an amount equal to the net cash proceeds or the Fair Market Value of the Permitted Investments realized upon such conversion, sale or exchange for purposes of determining the percentage of the consideration received by the Issuer or MBC in cash or Permitted Investments.
- (c) Except as provided in Section 9.06(b), if at any time any non-cash consideration received by the Issuer or MBC, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with the provisions of this Section 9.06.

(d) The Issuer or MBC, as the case may be, may apply an amount equal to the Net Cash Proceeds of any Asset Sale within 120 days of receipt thereof to:

(i) with respect to an Asset Sale by MBC, repay secured indebtedness outstanding under any credit facility or any other secured indebtedness of MBC (and to cause a corresponding reduction in commitments if such repaid indebtedness was outstanding under the revolving portion of a credit facility), other than Indebtedness owed to the Issuer or an Affiliate of MBC; or

(ii) make an investment in or expenditures for Mortgage Loans or, with respect to an Asset Sale by MBC, acquire the Capital Stock of any Person engaged in a Related Business.

Pending the final application of any such Net Cash Proceeds, MBC may temporarily reduce revolving credit borrowings to the extent not prohibited by the terms of this Indenture.

(e) To the extent all or part of the Net Cash Proceeds of any Asset Sale are not applied or committed within 120 days of such Asset Sale as described in Section 9.06(d)(i) or Section 9.06(d)(ii) (the “**Net Proceeds Trigger Date**,” and such Net Cash Proceeds, the “**Unutilized Net Cash Proceeds**”), the Issuer shall, within 20 days after such 120th day, make an offer to purchase (a “**Net Proceeds Offer**”) all outstanding Notes up to an aggregate maximum principal amount of Notes equal to such Unutilized Net Cash Proceeds, at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, up to, but not including, the purchase date thereof).

The Issuer shall mail a notice of a Net Proceeds Offer by first-class mail, postage prepaid, to the record Holders as shown on the register of Holders within 20 days following the Net Proceeds Offer Trigger Date, with a copy to the Indenture Trustee, containing all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Net Proceeds Offer and shall state the following terms:

(1) that the Net Proceeds Offer is being made pursuant to this Section 9.06, that all Notes tendered will be accepted for payment and that the Net Proceeds Offer shall remain open for a period of 20 Business Days or such longer periods as may be required by law;

(2) the offer price (including the amount of accrued interest) and the Net Proceeds Offer date of payment (the “**Net Proceeds Offer Payment Date**”) (which shall be not less than 30 nor more than 45 days following the commencement of the Net Proceeds Offer and which shall be at least five (5) Business Days after the Indenture Trustee receives notice thereof from the Issuer);

(3) that any Note not tendered will continue to accrue interest;

(4) that, unless the Issuer defaults in making payment therefor, any Note accepted for payment pursuant to the Net Proceeds Offer shall cease to accrue interest from and after the Net Proceeds Offer Payment Date;

(5) that Holders electing to have a Note purchased pursuant to a Net Proceeds Offer will be required to surrender such Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day prior to the Net Proceeds Offer Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the second Business Day prior to the Net Proceeds Offer Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of the Notes such Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased; and

(7) that Holders whose Notes are purchased only in part will be issued new Notes in a principal amount equal to the unpurchased portion of the Note surrendered; provided, however, that no Notes of a principal amount of \$1,000 or less shall be purchased in part.

On or before the Net Proceeds Offer Payment Date, the Issuer shall (i) accept for payment Notes or portions thereof (provided that no Notes of a principal amount of \$1,000 or less shall be purchased in part) validly tendered pursuant to the Net Proceeds Offer, (ii) deposit with the Paying Agent, in accordance with Section 2.09, immediately available funds in an amount sufficient to pay the purchase price plus accrued and unpaid interest, if any, of all Notes to be purchased and (iii) deliver to the Indenture Trustee an Officers' Certificate describing the Notes or portions thereof being purchased by the Issuer. Upon receipt by the Paying Agent of the monies specified in clause (ii) of the preceding sentence and a copy of the Officers' Certificate specified in clause (iii) of the preceding sentence, the Paying Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price plus accrued and unpaid interest, if any, out of the funds deposited with the Paying Agent in accordance with the preceding sentence. The Indenture Trustee shall promptly authenticate and mail to such Holders new Notes equal in principal amount to any unpurchased portion of the Notes surrendered. Upon the payment of the purchase price for the Notes accepted for purchase, the Indenture Trustee shall return the Notes purchased to the Issuer for cancellation. Any monies remaining after the purchase of Notes pursuant to a Net Proceeds Offer shall be returned within three (3) Business Days by the Indenture Trustee to the Issuer except with respect to monies owed as obligations to the Indenture Trustee pursuant to this Indenture. For purposes of this Section 9.06, the Indenture Trustee shall act as the Paying Agent.

(f) With respect to any Net Proceeds Offer effected pursuant to this Section 9.06, to the extent the aggregate principal amount of Notes exceeds the Unutilized Net Cash Proceeds to be applied to the repurchase thereof, such Notes shall be purchased *pro rata* based on the aggregate principal amount of such Notes tendered by each Holder thereof (provided that no Notes of a principal amount of \$1,000 or less shall be purchased in part). To the extent the Unutilized Net Cash Proceeds exceed the aggregate amount of Notes tendered by the holders thereof pursuant to such Net Proceeds Offer (such excess constituting an “**Excess**”), the Issuer may retain and utilize such Excess for any general corporate purposes. Upon the completion of a Net Proceeds Offer, the amount of Unutilized Net Cash Proceeds shall be reset to zero.

(g) If the Issuer makes a Net Proceeds Offer, the Issuer will comply with all applicable tender offer laws and regulations, including, to the extent applicable, Section 14(e) and Rule 14e-1 under the Exchange Act and any other applicable federal or state securities laws and regulations and any applicable requirements of any securities exchange on which the Notes are listed, and any violation of the provisions of this Section 9.06 relating to such Net Proceeds Offer occurring as a result of such compliance shall not be deemed a Default or an Event of Default.

Section 9.07 Repurchase at the Option of Holders upon Change of Control.

(a) In the event of the occurrence of a Change of Control (the date of such occurrence being the “**Change of Control Date**”), the Issuer shall, within 30 days after the occurrence of such Change of Control, make an offer (the “**Change of Control Offer**”) to all Holders to purchase all outstanding Notes properly tendered pursuant to such offer, and within 60 days after the occurrence of the Change of Control, all Notes properly tendered pursuant to such offer shall be accepted for purchase (the date of such purchase, the “**Change of Control Purchase Date**”) for a cash price equal to 101% of the principal amount thereof as of the Change of Control Purchase Date, plus accrued and unpaid interest up to, but not including, the date of purchase.

(b) In order to effect the Change of Control Offer, the Issuer shall mail a notice to each Holder with a copy to the Indenture Trustee stating:

(i) that a Change of Control has occurred and that each Holder has the right to require the Issuer to purchase such Holder’s Notes at a purchase price (the “**Change of Control Purchase Price**”) in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest up to, but not including, the date of purchase;

(ii) the purchase date, which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed or otherwise delivered in accordance with the applicable procedures of the Depository;

(iii) that, unless the Issuer defaults in the payment of the purchase price, any Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Purchase Date; and

(iv) the procedures determined by the Issuer, consistent with this Indenture, that a Holder must follow in order to have its Notes purchased.

Alternatively, the Issuer will not be required to make a Change of Control Offer as provided above, if, in connection with or in contemplation of any Change of Control, the Issuer has made an offer to purchase (an “**Alternate Offer**”) any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Purchase Price and has purchased all Notes properly tendered in accordance with the terms of such Alternate Offer so long as the terms and conditions of such contemplated Change of Control are described in reasonable detail to the Holders in the notice delivered in connection with such Alternate Offer.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in a manner, at the times and otherwise in compliance with the requirements applicable to a Change of Control Offer made by the Issuer or makes an Alternate Offer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or Alternate Offer.

(c) If the Issuer makes a Change of Control Offer or Alternate Offer, the Issuer will comply with all applicable tender offer laws and regulations, including, to the extent applicable, Section 14(e) and Rule 14e-1 under the Exchange Act, and any other applicable federal or state securities laws and regulations and any applicable requirements of any securities exchange on which the Notes are listed, and any violation of the provisions of this Indenture relating to such Change of Control Offer occurring as a result of such compliance shall not be deemed a Default or an Event of Default.

Section 9.08 Covenants.

For so long as the Notes are outstanding, the Issuer shall not:

- (a) cause or permit any Collateral Transfer of a legal or beneficial interest in any Mortgage Loan or any part thereof or any legal or beneficial interest therein or any other part of the Collateral Pool, except as expressly permitted by this Indenture;
- (b) dissolve or liquidate in whole or in part;
- (c) engage, directly or indirectly, in any business other than that the business of making and holdings Mortgage Loans, ;
- (d) incur, create or assume any indebtedness for borrowed money other than the Notes or otherwise pursuant to this Indenture and the Webster Guaranty;
- (e) voluntarily file a petition for bankruptcy or reorganization, make an assignment for the benefit of creditors or commence any similar proceeding;
- (f) change its state of organization, name, identity or organizational status, or otherwise amend the organizational documents of the Issuer, without notifying the Indenture Trustee of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in the Issuer's organizational status or any such amendment, without first obtaining the prior written consent of the Indenture Trustee;
- (g) withdraw or direct any party to withdraw any funds from the Collection Account, other than in accordance with the terms of this Indenture;
- (h) engage in any business or activity other than as permitted under the organizational documents of the Issuer and this Indenture;

- (i) except as contemplated by the Transaction Documents, commingle its funds or assets with those of any other Person and shall not participate in any cash management system with any other Person, provided that the Issuer may participate in MBC's cash management system;
- (j) pledge its assets to or for the benefit of any other Person except to the Indenture Trustee, for the benefit of the Noteholders to secure the Notes;
- (k) enter into or be a party to, any transaction with any of its partners, members, shareholders or Affiliates except in the ordinary course of its business and on terms which are commercially reasonable terms comparable to those of an arm's-length transaction with an unrelated third party; or
- (l) indemnify its partners, officers, directors or members, as the case may be, in each case unless such an obligation or indemnification is fully subordinated to the Notes and shall not constitute a claim against it in the event that its cash flow is insufficient to pay the Notes.
- (m) engage in any business other than for the purpose of acquiring, owning, holding, selling, transferring, exchanging, managing and operating the Mortgage Loans, entering into and performing its obligations under the Transaction Documents and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;
- (n) have any assets other than the Mortgage Loans, the related Mortgage Notes and personal property necessary or incidental to its ownership and operation of such Mortgage Loans; and
- (o) directly or indirectly, (i) declare or pay any dividend or any other distribution on any Capital Stock of the Issuer or make any payment or distribution to the direct or indirect holders (in their capacities as such) of Capital Stock of the Issuer, (ii) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer or (iii) make any Investment in any Person (other than Permitted Investments), provided that the Issuer may make such payments described in clause (i) if (1) no Default or Event of Default shall have occurred and be continuing at the time or immediately after giving effect to such payment, and (2) immediately after giving effect to such payment, (A) the aggregate outstanding principal amount of Eligible Mortgage Loans plus the aggregate amount on deposit in the Collection Account and any other deposit account of the Issuer subject to an Account Control Agreement is equal to not less than 120% of the Outstanding Principal Balance and (B) Available Amounts on deposit in the Collection Account are not less than the amount required to be paid pursuant to Section 2.15(b) on the immediately succeeding Payment Date.

Section 9.09 Statement as to Compliance.

(a) The Issuer shall deliver to the Indenture Trustee, within 120 days after the end of each fiscal year commencing with 2016, an Officer's Certificate of the Issuer stating that, in the course of the performance by the officer executing such Officer's Certificate of such officer's present duties as an officer of the Issuer, such officer would normally obtain knowledge or have made due inquiry of employees of the Issuer and the Issuer's Affiliates as to the existence of any condition or event which would constitute an Event of Default after notice or lapse of time or both and that to the best of the officer's knowledge, (i) the Issuer has fulfilled all of its obligations under this Indenture in all material respects throughout such year, or, if there has been an Event of Default in the fulfillment of any such obligation in any material respect, specifying each such default known to such officer and the nature and status thereof, and (ii) no Event of Default has occurred and is continuing and no condition or event that would constitute an Event of Default after notice or lapse of time or both has occurred, or, if such an event has occurred and is continuing, specifying each such event known to such officer and the nature and status thereof.

(b) The Issuer shall deliver to the Indenture Trustee, within 60 days after the end of each calendar quarter, an Officer's Certificate stating that (i) a review of the activities of the Issuer throughout the preceding calendar quarter, and of its performance under this Indenture has been made under such officer's supervision, (ii) to such officer's knowledge, based on such review, the Issuer has fulfilled in all material respects throughout such period its obligations under this Indenture or, if there was a default in the fulfillment of any such obligation in any material respect, such Officer's Certificate shall specify each such default known to such officer and the nature and status thereof.

Section 9.10 Reports by Independent Public Accountants.

If this Indenture is required to be qualified under the 1939 Act, on or before September 30 of each year, beginning the September 30 following the first year in which this Indenture is required to be so qualified, the Issuer, at its expense, shall cause a firm of independent public accountants (which may also render other services to MBC or the Issuer) to furnish to the Indenture Trustee a report containing such firm's opinion that, on the basis of an examination conducted by such firm substantially in accordance with standards established by the American Institute of Certified Public Accountants, the assertion made pursuant to Section 9.09 regarding compliance by the Issuer with the minimum Servicing Standards identified in the Uniform Single Attestation for Mortgage Bankers (to the extent applicable to residential or commercial properties) during the preceding fiscal year is fairly stated in all material respects, subject to such exceptions and other qualifications that, in the opinion of such firm, such institute's standards require it to report.

Section 9.11 Reports to the Indenture Trustee.

(a) Not later than 4:00 p.m., New York City time, three (3) Business Days prior to each Payment Date, the Issuer shall deliver to the Indenture Trustee a report (the "**Determination Date Report**") in a mutually agreeable electronic format, reflecting as of the close of business on the last day of the related Collection Period, the information required for purposes of making the payments required by Section 2.15(b) and the calculations and reports referred to in Section 6.01. The Issuer shall also provide to the Indenture Trustee the wire instructions for the relevant parties to which payments under Section 2.15(b) will be made. The Determination Date Report shall also contain a certification by the Issuer that (1) on the date of such report and immediately after giving effect to such payments, the aggregate outstanding principal amount of Eligible Mortgage Loans plus the aggregate amount on deposit in the Collection Account and any other deposit account of the Issuer subject to an Account Control Agreement is equal to not less than 120% of the Outstanding Principal Balance and (2) no Default or Event of Default has occurred and is continuing on such date or would result from such payments. Such information shall be delivered by the Issuer in such form as may be reasonably acceptable to Indenture Trustee.

(b) The Issuer shall deliver to the Indenture Trustee:

(i) within forty-five (45) days after the end of each calendar quarter the following items, each executed by a the Issuer as being true and correct: (1) a certificate dated as of the last day of each such calendar quarter identifying for each of the Mortgage Loans the respective termination or maturity dates, Mortgage Loan Payments required to be paid, and identifying any defaults under a Mortgage Loan with respect to which it has knowledge, and (2) statements of the financial affairs and condition of MBC and its subsidiaries on a consolidated basis, including a balance sheet, a cash flow summary report, a statement of profit and loss for MBC and its subsidiaries on a consolidated basis and an operating statement including detailed income and expense statement, in each case in such detail as the Indenture Trustee may request for MBC for the immediately preceding calendar quarter, which statements shall be prepared by MBC;

(ii) within one hundred twenty (120) days after the end of each calendar year, statements of the financial affairs and condition of MBC and its subsidiaries on a consolidated basis, including a balance sheet, a cash flow summary report, a statement of profit and loss for MBC and its subsidiaries on a consolidated basis and an operating statement including detailed income and expense statement, audited in conjunction with the audit of MBC by a or another independent certified public accountant reasonably acceptable to the Indenture Trustee, for the immediately preceding calendar year; and

(iii) copies of notices of defaults under, or any material modifications to, any of the Mortgage Loans; and

(iv) at any time and from time to time such other financial data as the Indenture Trustee or its agents shall reasonably request with respect to MBC or the Issuer or any of their respective Affiliates.

(c) The Indenture Trustee shall have the right, at any time and from time to time when an Event of Default exists, upon reasonable notice to the Issuer and MBC and during normal business hours at the Issuer's or MBC's principal place of business, to conduct an inspection or review, at the Issuer's expense, of the Issuer's or MBC's, as applicable, books and records. The Issuer and MBC shall cooperate, and shall cause their respective agents and employees to cooperate in the conduct of any such inspection or review.

(d) On or before 1:00 p.m. on the Business Day following each Determination Date, the Issuer shall determine whether the Available Amount distributable on such Payment Date pursuant to (and subject to the priorities set forth in) Section 2.15(b) will be sufficient to pay the obligations under this Indenture on such Payment Date. In the event the Issuer determines that the Available Amount distributable on such Payment Date pursuant to (and subject to the priorities set forth in) Section 2.15(b) will not be sufficient to pay the obligations under this Indenture on such Payment Date (a "**Deficiency**") the Issuer shall notify the Indenture Trustee in writing of such Deficiency, which written notice shall be delivered on or before 1:00 p.m. New York City time on the third Business Day before such Payment Date.

Section 9.12 Mergers and Consolidations.

The Issuer may not consolidate with or merge with or into (whether or not the Issuer is the surviving entity) any other entity, unless:

(a) either (i) the Issuer shall be the surviving entity or (ii) the surviving entity (if other than the Issuer) shall be a Person organized and validly existing under the laws of the United States of America or any State thereof or the District of Columbia, and shall, in any such case, expressly assume by a supplemental indenture, the due and punctual payment of the principal of, premium, if any, and interest on all the Notes and the performance and observance of every covenant of this Indenture and the other Transaction Documents to be performed or observed on the part of the Issuer; provided, that in the case where the surviving entity is not a corporation, there is a co-obligor of the Notes that is a corporation; and

(b) immediately thereafter, after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Section 9.13 Litigation.

The Issuer shall give prompt written notice to the Indenture Trustee of any Proceedings pending against the Issuer which could reasonably be expected to materially and adversely affect the Issuer's condition (financial or otherwise) or business or any Mortgaged Property.

Section 9.14 Notice of Default.

The Issuer shall promptly advise the Indenture Trustee of any material adverse change in the Issuer's condition, financial or otherwise not otherwise reported, or of the occurrence of any material Event of Default of which the Issuer has knowledge.

Section 9.15 Cooperate in Legal Proceedings.

The Issuer shall cooperate fully with the Indenture Trustee with respect to any Proceedings before any court, board or other Governmental Authority which may in any way affect the rights of the Indenture Trustee hereunder or any rights obtained by the Indenture Trustee under any of the other Transaction Documents and, in connection therewith, permit the Indenture Trustee, at its election, to participate in any such Proceedings.

Section 9.16 Insurance Benefits.

The Issuer shall cooperate with the Indenture Trustee in obtaining for the Indenture Trustee the benefits of any proceeds of the insurance policies lawfully or equitably payable in connection with any applicable Mortgaged Property, subject to the rights of Mortgagor Customers under the applicable Mortgage Loans, and the Indenture Trustee shall be reimbursed for any expenses incurred in connection therewith (including reasonable attorneys' fees and disbursements) out of such insurance proceeds.

Section 9.17 Costs of Enforcement.

In the event (a) that any Mortgage encumbering any Mortgaged Property is foreclosed in whole or in part or that any such Mortgage is put into the hands of an attorney for collection, suit, action or foreclosure, (b) of the foreclosure of any Mortgage in which Proceeding the Indenture Trustee is made a party, or (c) of the bankruptcy, insolvency, rehabilitation or other similar Proceeding in respect of the Issuer or MBC or an assignment by the Issuer or MBC for the benefit of its creditors, the Issuer, its successors or assigns, shall be chargeable with and agrees to pay all reasonable costs of collection and defense, including reasonable attorneys' fees and costs, incurred by the Indenture Trustee or the Issuer in connection therewith and in connection with any appellate Proceeding or post-judgment action involved therein, together with all required service or use taxes.

Section 9.18 Performance of Issuer's Duties by MBC.

The duties of the Issuer required to be performed under this Indenture and the other Transaction Documents will be performed on behalf of the Issuer by MBC.

Section 9.19 Payment of Debts.

The Issuer will use commercially reasonable efforts to remain solvent and the Issuer will pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due.

Section 9.20 Capitalization of the Issuer.

The Issuer use commercially reasonable efforts to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

Section 9.21 Employees.

The Issuer shall pay its own liabilities and expenses, including, without limitation, the salaries of its own employees, if any, out of its own funds and assets and maintain a sufficient number of employees if any are required in light of its contemplated business operations.

Section 9.22 Performance by the Issuer.

(a) The Issuer shall observe, perform and satisfy all the terms, provisions, covenants and conditions of, and shall pay when due all applicable costs, fees and expenses to the extent required under, the Transaction Documents executed and delivered by, or applicable to, the Issuer.

(b) The Issuer shall in a timely manner observe, perform, enforce and fulfill each and every covenant, term and provision of each Transaction Document executed and delivered by, or applicable to, the Issuer, or recorded instrument affecting or pertaining to the applicable Mortgaged Properties, to the extent the failure to observe or perform the same would materially and adversely affect the Issuer's interest in such Mortgaged Properties, and shall not enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Transaction Document executed and delivered by, or applicable to, the Issuer except in accordance with the terms and provisions thereof.

Section 9.23 Use of Proceeds.

The Issuer shall use the proceeds of the Notes to purchase from MBC, pursuant to the Asset Purchase Agreement, the Mortgage Loans and related assets set forth therein.

Section 9.24 Other Rights, Etc.

It is agreed that the risk of loss or damage to any Collateral is on the Issuer, and the Indenture Trustee shall have no liability whatsoever for decline in value of the Collateral.

Section 9.25 Books and Records.

The Issuer will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any constituent party and file its own tax returns (provided that the Issuer's financial statements and tax returns may be prepared on a consolidated basis with other entities provided that such consolidated financial statements and tax returns indicate the separate existence of the Issuer and its assets and liabilities). The Issuer shall maintain its books, records, resolutions and agreements as official records.

Section 9.26 Overhead Expenses.

The Issuer shall allocate fairly and reasonably overhead expenses, if any, that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate.

ARTICLE X
COVENANTS REGARDING MORTGAGE LOANS

Section 10.01 Collection of Mortgage Loan Payments; Collection Account; Release Account.

(a) The Issuer shall undertake reasonable efforts to collect all payments called for under the terms and provisions of the Mortgage Loans and shall follow such collection procedures as are consistent with the Servicing Standard.

(b) The Issuer shall establish and maintain one segregated account in the name of the Issuer for the benefit of the Indenture Trustee on behalf of the Noteholders (the "**Collection Account**"), which shall be established in such manner and with the type of depository institution (the "**Collection Account Bank**") specified in this Indenture. The Collection Account shall be an Eligible Account. The Collection Account will be subject to an Account Control Agreement among the Issuer, the Indenture Trustee and the Collection Account Bank in form and substance reasonably satisfactory to the Indenture Trustee pursuant to which the Collection Account Bank agrees to follow the instructions of the Indenture Trustee with respect to the Collection Account and the amounts on deposit therein, provided that the Indenture Trustee shall deliver such instructions only after the occurrence of an Event of Default. Subject to Section 10.02, neither MBC nor the Issuer will have any right of withdrawal from the Collection Account and the Issuer hereby covenants and agrees that it shall not withdraw, or direct any Person to withdraw, any funds from the Collection Account. The Collection Account shall be maintained by the Issuer as a segregated account, separate and apart from any other accounts of the Issuer.

(c) The Issuer shall, not later than ten (10) days after the applicable Transfer Date, instruct the Mortgagor Customers to make all Mortgage Loan Payments to the Collection Account. The Issuer shall deposit or cause to be deposited in the Collection Account, within two (2) Business Days after receipt, the following payments and collections received or made by or on behalf of the Issuer subsequent to such Transfer Date (other than payments due on or before the Closing Date):

- (i) all payments on account of Mortgage Loan Payments;
- (ii) all payments of other amounts payable by the Mortgagor Customer on the Mortgage Loans;
- (iii) all Insurance Proceeds, Condemnation Proceeds and Liquidation Proceeds received in respect of any Mortgaged Property;
- (iv) the Release Price from the release of any Mortgage Loan to the extent not deposited into the Release Account; and the Release Price from the release of any Mortgage Loan transferred from the Release Account to the Collection Account pursuant to this Indenture and all proceeds representing earnings on investments in the Release Account (including interest on any Permitted Investments) made with such proceeds;
- (v) any amounts paid by any party to indemnify the Issuer or the Indenture Trustee pursuant to any provision of this Indenture;
- (vi) any amounts received on account of payments under the guaranties provided by related Mortgage Loan Guarantors; and
- (vii) any other amounts required to be so deposited under this Indenture.

(d) The Issuer shall establish and maintain at a bank designated by the Indenture Trustee a Release Account. The Release Account shall be an Eligible Account and shall be subject to an Account Control Agreement. The funds held in the Release Account may be held as cash or invested in Permitted Investments in accordance with the provisions of Section 10.03(a). The Issuer will deposit or cause to be deposited in the Release Account, on the date of receipt, any cash proceeds from the sale of any Mortgage Loan.

Section 10.02 Withdrawals From the Collection Account.

The Account Control Agreement with respect to the Collection Account shall provide that (a) on each Remittance Date the Collection Account Bank shall deliver the Available Amount by wire transfer of immediately available funds for deposit into the Payment Account for application by the Indenture Trustee to make payments in accordance with the priorities set forth pursuant to Section 2.15(b) and (b) on any Business Day other than a Remittance Date the Collection Account Bank shall remit to the Issuer or to the Issuer's designee the amount requested by the Issuer, provided that (i) the Issuer shall not request an amount which, after giving effect to such remittance, would cause the remaining Available Amount on deposit in the Collection Account to be less than the amount required to be paid pursuant to Section 2.15(b) (excluding any remaining Available Amounts to be paid to the Issuer) on the immediately succeeding Payment Date and (ii) the Issuer shall have executed and delivered to the Collection Account Bank and the Indenture Trustee a certificate stating that (1) a copy of such certificate has simultaneously been delivered to the Indenture Trustee, (2) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such payment, and (3) immediately after giving effect to such payment (A) the aggregate outstanding principal amount of Eligible Mortgage Loans plus the aggregate amount on deposit in the Collection Account and any other deposit account of the Issuer subject to an Account Control Agreement is equal to not less than 120% of the Outstanding Principal Balance and (B) the remaining Available Amount on deposit in the Collection Account is not less than the amount required to be paid pursuant to Section 2.15(b) (excluding any remaining Available Amounts to be paid to the Issuer) on the immediately succeeding Payment Date.

Section 10.03 Investment of Funds in the Collection Account.

(a) At the Issuer's direction, the Collection Account Bank shall invest the funds held in the Collection Account in one or more Permitted Investments selected by the Issuer bearing interest or sold at a discount, and maturing, unless payable on demand, not later than the Business Day immediately preceding the next succeeding Remittance Date. All such Permitted Investments shall be held to maturity, unless payable on demand. Any investment of funds in the Collection Account shall be made in the name of the Issuer for the benefit of the Indenture Trustee (in its capacity as such). The Issuer shall promptly deliver to the Indenture Trustee, and the Indenture Trustee shall maintain continuous possession of, any Permitted Investment that is either (i) a "certificated security," as such term is defined in the Uniform Commercial Code, or (ii) other property in which a secured party may perfect its security interest by possession under the Uniform Commercial Code or any other applicable law. If amounts on deposit in the Collection Account are at any time invested in a Permitted Investment payable on demand, the Issuer shall:

(1) consistent with any notice required to be given thereunder, demand that payment thereon be made on the last day such Permitted Investment may otherwise mature hereunder in an amount equal to the lesser of (A) all amounts then payable thereunder and (B) the amount required to be withdrawn on such date; and

(2) demand payment of all amounts due thereunder promptly upon determination by the Issuer that such Permitted Investment would not constitute a Permitted Investment in respect of funds thereafter on deposit in the Collection Account.

(b) In the event that the Issuer elects to remove a Mortgage Loan from the Collateral Pool under Section 2.04 or Section 11.02, amounts deposited in the Release Account shall be applied by the Issuer (or the Indenture Trustee based solely on the instructions of the Issuer), first, to pay the expenses related to such release and, second, either to acquire a Qualified Substitute Loan or Qualified Substitute Loans within twelve (12) months following the removal of such Released Loan. Any amounts remaining in the Release Account following the twelve (12) month period from the related Release shall be transferred as Unscheduled Proceeds into the Collection Account and applied as Unscheduled Principal Payments on the following Payment Date. During an Early Amortization Period, all amounts in the Release Account shall be deposited as Unscheduled Proceeds into the Collection Account and will be included in the Available Amount on the following Payment Date to be applied as Unscheduled Principal Payments.

(a) Whether or not the Issuer directs the investment of funds in the Collection Account, interest and investment income realized on funds deposited therein, to the extent of the Net Investment Earnings, if any, for the Collection Account for each Collection Period, shall be added to the Available Amount for such Collection Period.

(b) Except as otherwise expressly provided in this Indenture, if any default occurs in the making of a payment due under any Permitted Investment, or if a default occurs in any other performance required under any Permitted Investment, the Indenture Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings.

(c) Notwithstanding the investment of funds held in the Collection Account, for purposes of the calculations hereunder, including the calculation of the Available Amount, the amounts so invested shall be deemed to remain on deposit in the Collection Account.

(d) Any actual losses sustained on the liquidation of a Permitted Investment in the Collection Account shall be deposited by the Issuer immediately, but in no event later than one Business Day following such liquidation, into the Collection Account.

Section 10.04 Mortgage Loans.

With respect to each Mortgaged Property, the Issuer (a) shall observe and perform all the obligations imposed upon it under the related Mortgage Loan and shall not do or permit to be done anything to impair materially the value of such Mortgaged Property or related Mortgage Loan as security, (b) shall promptly send copies to the Indenture Trustee of all notices of event of default which the Issuer shall send or receive under the related Mortgage Loan, (c) shall notify the Indenture Trustee in writing of any material change in the status of any Mortgagor Customer with respect to such Mortgaged Property, including, without limitation, the vacating or surrender of any Mortgagor Customer, even if such action is expressly permitted by the terms of such Mortgagor Customer's Mortgage Loan, (d) shall enforce all of the material terms, covenants and conditions contained in a related Mortgage Loan upon the part of the Mortgagor Customer thereunder to be observed or performed (including, without limitation, collecting financial information from each Mortgagor Customer) consistent with past practice of the Issuer or MBC, (e) shall not execute any assignment of the Issuer's interest in a related Mortgage Loan or the Mortgage Loan Payments, and (f) shall not consent to any assignment of a related Mortgage Loan not in accordance with its terms or as permitted thereunder. The Issuer shall not agree to any material modification of a related Mortgage Loan, other than in the ordinary course of business of the Issuer.

Section 10.05 Compliance With Laws.

With respect to each Mortgaged Property:

(a) The Issuer shall promptly comply, or cause the Mortgagor Customers to comply, in all material respects with all federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting such Mortgaged Property, or the use thereof (“Applicable Laws”), currently existing or enacted in the future.

(b) The Issuer shall give prompt notice to the Indenture Trustee of the receipt by the Issuer of any written governmental agency notice related to a violation of any Applicable Laws and of the commencement of any governmental agency proceedings or investigations which relate to compliance with Applicable Laws.

(c) After prior written notice to the Indenture Trustee, the Issuer, at its own expense, may contest by appropriate Proceeding, promptly initiated and conducted in good faith and with due diligence, the Applicable Laws affecting any Mortgaged Property; provided, that (i) no Event of Default has occurred and is continuing under this Indenture, (ii) the Issuer is not prohibited from doing so under the provisions of any Mortgage Loan, (iii) none of such Mortgaged Property, any part thereof or interest therein, any of the related Mortgagor Customers or occupants thereof, or the Issuer shall be affected in any materially adverse way as a result of such Proceeding, (iv) non-compliance with the Applicable Laws shall not impose criminal liability on the Issuer or civil or criminal liability on the Indenture Trustee, and (v) the Issuer shall have furnished to the Indenture Trustee all other items reasonably requested by the Indenture Trustee.

Section 10.06 Other Rights, Etc.

It is agreed that the risk of loss or damage to a Mortgaged Property is on the Issuer, and the Indenture Trustee shall have no liability whatsoever for decline in value of such Mortgaged Property, for failure to maintain insurance policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by the Indenture Trustee shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Mortgaged Property or any other Collateral included in the Collateral Pool and not in the Indenture Trustee’s possession.

Section 10.07 Right to Release Any Portion of the Collateral Pool.

The Indenture Trustee shall not release any portion of the Collateral Pool except as expressly set forth in the terms and provisions of this Indenture and the other Transaction Documents and shall release such portion without, as to the remainder of such Collateral, in any way impairing or affecting the lien or priority of this Indenture, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by the Indenture Trustee for such release, and may accept by assignment, pledge or otherwise any other property in place thereof, all in accordance with the terms hereof. This Indenture shall continue as a lien and security interest in the remaining portion of the Collateral Pool to which it applies.

Section 10.08 Mortgage Loan Matters.

(a) The Issuer may enter into renewals of Mortgage Loans and new Mortgage Loans that are on commercially reasonable terms, provided any such renewal and new Mortgage Loans are entered into in the ordinary course of business consistent with past practices of the Issuer and MBC. The Issuer shall execute and deliver, or cause to be executed and delivered, at the request of any party hereto all such further assurances, confirmations and assignments in connection with the Mortgage Loans as may be required by the Issuer.

(b) Except as specifically set forth herein, the Issuer shall not (i) amend or modify in any material respect, or terminate (other than in connection with a bona fide default by the Mortgagor Customer thereunder beyond any applicable notice or grace period), any Mortgage Loan other than in accordance with the Servicing Standard, (ii) shall not collect any of the Mortgage Loan Payments more than one (1) month in advance, and (iii) shall not execute any other assignment of the Issuer's interest in the Mortgage Loans or any other Collateral (except as contemplated by the Transaction Documents). For the purpose of this Section 10.08, without limiting the generality of the foregoing, any extension of the term of a Mortgage Loan that does not reduce the Mortgage Loan Payment payable thereunder shall be deemed not to be material and any amendment or modification of a Mortgage Loan that reduces the term of such Mortgage Loan or the Mortgage Loan Payment payable thereunder shall be deemed to be material.

(c) Notwithstanding the foregoing:

(i) The Issuer may, consistent with the Servicing Standard, agree to any modification, waiver or amendment of any term of, forgive any Mortgage Loan Payment on, and permit the release of the related Mortgagor Customer or any Mortgage Loan Guarantor (each, a "**Mortgage Loan Amendment**") without the consent of the Indenture Trustee, any Noteholder or any other Person, provided that the Issuer certifies to the Indenture Trustee that:

(1) such Mortgage Loan Amendment is entered into for a commercially reasonable purpose in an arm's-length transaction on market terms; and

(2) in the reasonable judgment of the Issuer, such Mortgage Loan Amendment is in the best interest of the Noteholders and will not have an adverse effect on such Mortgage Loan or the Appraised Value of the related Mortgaged Property.

(ii) Any Mortgage Loan Amendment in connection with a bona fide default by a Mortgagor Customer shall not be subject to the foregoing terms of this Section 10.08. Regardless of whether any Mortgage Loan Amendment is material or not, the Issuer will give the Indenture Trustee prompt written notice thereof and shall indicate whether such action is being taken pursuant to the preceding sentence and upon request will deliver a copy of any documents executed in connection therewith to the Indenture Trustee.

(iii) The limitations, conditions and restrictions set forth in Section 10.08(c)(i) shall not apply to the Issuer's ability to terminate a Mortgage Loan in accordance with the terms thereof.

(d) The Issuer shall have no liability to the Indenture Trustee, the Noteholders or to any other Person if its analysis and determination that the Mortgage Loan Amendment or other action contemplated by Section 10.08(c) would not materially reduce the likelihood of timely payment of amounts due thereon, or that such Mortgage Loan Amendment or other action is reasonably likely to produce a greater recovery to the Issuer on a present value basis than would liquidation, should prove to be wrong or incorrect, so long as the analysis and determination were made on a reasonable basis in accordance with the Servicing Standard in good faith by the Issuer.

(e) All modifications, waivers, amendments and other actions entered into or taken in respect of a Mortgage Loan pursuant to this Section 10.08 shall be in writing. The Issuer shall notify the Indenture Trustee, in writing, of any modification, waiver, amendment or other action entered into or taken in respect of any Mortgage Loan pursuant to this Section 10.08 and the date thereof, and shall deliver to the Indenture Trustee for deposit in the related Mortgage Loan File an original counterpart of the agreements relating to such modification, waiver, amendment or other action, promptly (and in any event within 10 Business Days) following the execution thereof. In addition, following any Mortgage Loan Amendment, the issuer shall deliver to the Indenture Trustee an Officer's Certificate setting forth in reasonable detail the basis of the determinations made by it pursuant to Section 10.08(c).

Section 10.09 Perfection of Security Interest.

The Issuer shall take all action that may be necessary or desirable, or that the Indenture Trustee may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Indenture Trustee's security interest in the Collateral or to enable the Indenture Trustee to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to:

- (a) immediately discharging all liens other than Permitted Encumbrances;
- (b) subject to any Permitted Encumbrances, warranting, defending and preserving the validity and priority of the lien of any Collateral against the claims of all Persons whomsoever.
- (c) obtaining landlords' waivers and related agreements;
- (d) delivering to the Indenture Trustee, endorsed or accompanied by such instruments of assignment as the Indenture Trustee may specify, and stamping or marking, in such manner as the Indenture Trustee may specify, any and all chattel paper, instruments, letters of credit and advices thereof and documents evidencing or forming a part of the Collateral;

(e) entering into warehousing, lockbox and other custodial arrangements satisfactory to the Indenture Trustee;

(f) executing (as appropriate) and delivering authorizations for the recording of financing statements, instruments of pledge, notices and assignments, in each case in form and substance satisfactory to the Indenture Trustee, relating to the creation, validity, perfection, maintenance or continuation of the Indenture Trustee's security interest under the Uniform Commercial Code or other applicable law;

(g) obtaining "control" of any investment property, deposit account, letter-of-credit right or electronic chattel paper (the term "control" as used in respect of the foregoing types of Collateral having the meaning set forth in Articles 8 and 9 of the UCC), with any agreements establishing such "control" to be in form and substance satisfactory to the Indenture Trustee; and

(h) if the Issuer at any time has or acquires a commercial tort claim, promptly notifying the Indenture Trustee thereof, in writing, and granting a specific collateral assignment of such claim to the Indenture Trustee as additional Collateral.

ARTICLE XI
TRANSFERS AND EXCHANGES OF MORTGAGE LOANS; RELEASE OF MORTGAGE LOANS

Section 11.01 Exchange of Mortgage Loans.

(a) The Issuer may remove an Exchanged Loan from the Collateral Pool in exchange for the addition of one or more Qualified Substitute Loans to the Collateral Pool. In addition, no exchange of a Mortgaged Loan to a third party or to MBC or any Affiliate of MBC or of the Issuer may occur if an Early Amortization Period exists or would occur as a result of such exchange.

(b) In the event that the Issuer elects to substitute one or more Qualified Substitute Loans pursuant to this Section 11.01, the Issuer shall deliver to the Indenture Trustee (i) all documents as specified in the definition of "Mortgage Loan File" with respect to each Qualified Substitute Loan in accordance with this Indenture and (ii) a copy of the executed Sale Assignment received by the Issuer with respect to such Qualified Substitute Loan pursuant to the Asset Transfer Agreement. Mortgage Loan Payments due with respect to Qualified Substitute Loans in the month of substitution shall not be part of the Collateral and will be retained by the Issuer. For the month of substitution, the Available Amount shall include the Mortgage Loan Payment due on the Mortgage Loan for the Removed Mortgage Loan for such month and thereafter the Issuer shall be entitled to retain all amounts received in respect of such Removed Mortgage Loan. On or prior to the effective date of any such substitution, the Issuer shall deliver to the Indenture Trustee an amended Mortgage Loan Schedule reflecting the addition to the Collateral of each new Qualified Substitute Loan and the removal from the Collateral of each Removed Mortgage Loan. Upon such substitution, each Qualified Substitute Loan shall be subject to the terms of this Indenture in all respects, and the Issuer shall be deemed to have made the representations and warranties contained in Section 2.21 with respect to each Qualified Substitute Loan.

(c) The Issuer shall effect such substitution by having each Qualified Substitute Loan assigned to the Issuer and distributing or otherwise transferring the Removed Mortgage Loan to MBC or the entity purchasing the Removed Mortgage Loan and delivering to and depositing with the Indenture Trustee (i) any transfer documents transferring such Qualified Substitute Loan to the Issuer, (ii) any transfer documents transferring such Removed Mortgage Loan to MBC or the entity purchasing the Removed Mortgage Loan and (iii) the Mortgage Loan File for such Qualified Substitute Loan.

(d) Upon receipt of an Officer's Certificate from the Issuer to the effect that all requirements with respect to any substitution pursuant to the foregoing terms of this Section 11.1 have been satisfied, upon which the Indenture Trustee shall be permitted to fully rely and shall have no liability for so relying without any obligation to confirm or verify, (i) the Indenture Trustee shall release or cause to be released to the Issuer's designee the related Mortgage Loan, the related Mortgage Note and the related Mortgage Loan File for the Removed Mortgage Loan and (ii) each of the Indenture Trustee and the Issuer shall execute and deliver such instruments of release, transfer or assignment, in each case without recourse, as shall be provided to it and are reasonably necessary to vest in the Issuer's designee the ownership of the Removed Mortgage Loan and to release other lien or security interest in such Removed Mortgage Loan.

Section 11.02 Release of Mortgaged Property by the Issuer.

(a) The Issuer shall have the right to have released from the lien of this Indenture any Mortgage Loan (following such release, a "**Released Loan**") by depositing in the Release Account an amount equal to the Release Price in immediately available funds for the Released Loan and satisfying the Required Conditions. Upon the Indenture Trustee's receipt of an Officer's Certificate from the Issuer certifying that all Required Conditions have been satisfied, the Indenture Trustee shall release to the Issuer or its designee the related Mortgage Loan File and execute and deliver such instruments of release, transfer or assignment, in each case without recourse, that shall be provided to it by the Issuer and are reasonably necessary to release any lien or security interest in such Released Loan.

(b) No sale of a Mortgage Loan to a third party or to MBC or any Affiliate thereof may occur if an Early Amortization Period would occur as a result of such purchase.

Section 11.03 Mortgage Loan Substitution.

(a) The Issuer may remove a Mortgage Loan from the Collateral Pool in exchange for the addition of one or more Qualified Substitute Loans to the Collateral Pool pursuant to the provisions of Section 11.01 provided that the Issuer determines, in its reasonable discretion, that there is a reasonable risk of monetary default by the Mortgagor Customer under such Mortgage Loan ("**Credit Risk** ").

(b) The Issuer may remove a Mortgage Loan from the Collateral Pool in exchange for the addition of one or more Qualified Substitute Loans to the Collateral Pool pursuant to the provisions of Section 11.01 provided that the Issuer determines, in its reasonable discretion, that such Mortgage Loan is no longer an Eligible Mortgage Loan.

(c) The Issuer shall, in connection with the removal of a Mortgage Loan from the Collateral Pool and the addition of one or more Qualified Substitute Loans to the Collateral Pool pursuant to the provisions of Section 11.03, deliver to the Indenture Trustee and Officer's Certificate from the Issuer certifying (i) the reason for such removal, including an explanation of the related Credit Risk (and a copy of any written communication from the Mortgagor Customer related to such Credit Risk) or why such Mortgage Loan is no longer an Eligible Mortgage Loan, as the case may be, or (ii) a summary description of the anticipated Qualified Substitute Loans, (iii) that (1) immediately after giving effect to such removal and substitution, the aggregate outstanding principal amount of Eligible Mortgage Loans plus the aggregate amount on deposit in the Collection Account and any other deposit account of the Issuer subject to an Account Control Agreement is equal to not less than 120% of the Outstanding Principal Balance and (2) no Default or Event of Default has occurred and is continuing on the date of such removal and substitution or would result therefrom.

Section 11.04 Release, Sale and Exchange of Defaulted Mortgage Loans.

(a) The Issuer shall exercise reasonable efforts, to the extent consistent with the Servicing Standard, to enforce a Defaulted Mortgage Loan as to which no satisfactory arrangements can be made for collection of delinquent payments.

(b) The Issuer may offer to sell a Defaulted Mortgage Loan pursuant to this Section 11.04, for a fair price, free and clear of the lien of this Indenture, if and when the Issuer determines that, consistent with the Servicing Standard, such a sale would be in the best interests of the Noteholders. The Issuer shall give the Indenture Trustee not less than twenty (20) Business Days' prior written notice of its intention to sell any Defaulted Mortgage Loan pursuant to this Section 11.04. No Interested Person shall be obligated to submit a bid to purchase any such Defaulted Mortgage Loan. The Liquidation Proceeds shall be deposited into the Collection Account and applied as set forth herein.

(c) If and when the Issuer deems it necessary and prudent for purposes of establishing a fair price for any Defaulted Mortgage Loan for purposes of conducting a sale of such Defaulted Mortgage Loan pursuant to Section 11.04(b), the Issuer is authorized, at the Issuer's cost, to have an appraisal conducted by an Independent MAI-designated appraiser or other expert.

(d) Whether any cash bid constitutes a fair price for any Defaulted Mortgage Loan for purposes of Section 11.04(b) shall be determined by the Issuer in its reasonable discretion or, if such cash bid is from an Interested Person, by the Indenture Trustee. In determining whether any bid received from an Interested Person represents a fair price for any Defaulted Mortgage Loan, the Indenture Trustee shall be supplied with and may conclusively rely on the most recent appraisal conducted in accordance with Section 11.04(c) within the preceding 12-month period or, in the absence of any such appraisal, on a narrative appraisal prepared by an Independent MAI-designated appraiser or other expert retained by the Issuer, at the Issuer's cost. Such appraiser shall be selected by the Issuer. In determining whether any bid constitutes a fair price for any such Defaulted Mortgage Loan, the Issuer shall take into account, among other factors, the period and amount of any delinquency on the affected Mortgage Loan, the occupancy status and physical condition of the related Mortgaged Property and the state of the local economy.

(e) The Issuer shall act on behalf of itself and the Indenture Trustee in negotiating and taking any other action necessary or appropriate in connection with the sale of any Defaulted Mortgage Loan, and the collection of all amounts payable in connection therewith. In connection therewith, the Issuer may charge prospective bidders fees that approximate the Issuer's actual costs in the preparation and delivery of information pertaining to such sales or evaluating bids without obligation to deposit such amounts into the Collection Account. Any sale of a Defaulted Mortgage Loan shall be free and clear of the lien of this Indenture and shall be final and without recourse to the Issuer or the Indenture Trustee. If such sale is consummated in accordance with the terms of this Indenture, the Indenture Trustee shall not have any liability to the Issuer or any Noteholder with respect to the purchase price therefor accepted by the Issuer or the Indenture Trustee, as the case may be.

(f) The Issuer shall accept the first (and, if multiple bids are received contemporaneously, highest) cash bid received from any Person that constitutes a fair price for such Defaulted Mortgage Loan. Notwithstanding the foregoing, the Issuer shall not be obligated to accept the highest cash bid if the Issuer determines, in accordance with the Servicing Standard, that rejection of such bid would be in the best interests of the Noteholders, and the Issuer may accept a lower cash bid if it determines, in accordance with the Servicing Standard, that acceptance of such bid would be in the best interests of the Noteholders (for example, if the prospective buyer making the lower bid is more likely to perform its obligations or the terms offered by the prospective buyer making the lower bid are more favorable).

(e) At any time that a Defaulted Mortgage Loan has not already been sold pursuant to the terms hereof, the Issuer may at its option (i) release such Defaulted Mortgage Loan from the lien of this Indenture pursuant to Section 11.02 or (ii) exchange one or more Qualified Substitute Loans for the subject Defaulted Mortgage Loan pursuant to Section 11.01.

(f) The Issuer shall, and is hereby authorized and empowered by the Indenture Trustee to, prepare, execute and deliver in its own name, on behalf of the Issuer and the Indenture Trustee or any of them, the endorsements, assignments and other documents necessary to effectuate a sale of a Defaulted Mortgage Loan pursuant to this Section 11.04, and the Indenture Trustee shall execute and deliver any limited powers of attorney necessary to permit the Issuer to do so; provided, however, that the Indenture Trustee shall not be held liable for any misuse of any such power of attorney by the Issuer and the Issuer hereby agrees to indemnify the Indenture Trustee against, and hold the Indenture Trustee harmless from, any loss or liability arising from any misuse or negligence in the exercise of such power of attorney.

Section 11.05 Servicing Agent.

The Issuer shall, subject to the terms and conditions herein set forth, act as servicing agent in connection with the Mortgage Loans, including performance of the following services:

(a) collect on a monthly basis all principal and interest due from each Mortgagor Customer under the Mortgage Notes and any other Mortgage Loan Document;

(b) collect any other revenue due in connection with the Mortgage Notes, and any other Mortgage Loan Document, and any other revenue due in connection with matters relating to any Mortgaged Property, including, without limitation, any rents, security deposits, additional rent, direct and indirect operating costs, tenant improvement charges, and any amounts due in connection with or as a result of any casualty or exercise of eminent domain;

(c) except as otherwise provided herein, instruct all Mortgagor Customers to remit all payments in respect of the Mortgage Notes to the Collection Account;

(d) cause each Mortgagor Customer to keep the Mortgaged Property owned by such Mortgagor Customer insured in accordance with this Indenture;

(e) immediately upon the filing of a notice of lien against any Mortgaged Property, cause the applicable Mortgagor Customer to pay any and all general and special city and county taxes of every kind and nature, any and all real estate and ad valorem taxes, personal property taxes, assessments, water rates, sewer rents, fines, impositions, levies, permits, inspection and license fees, all special assessments for public improvements (without permitting any improvement bond to be issued for special assessments) and all other charges now or hereafter levied or imposed upon or assessed against such Mortgaged Property or any part thereof by any municipality or other governmental authority or upon the revenues, rents, issues, income and profits of such Mortgaged Property or arising in respect of the occupancy, use or possession thereof or the use of walks, chutes, areas and other space beyond the lot line of such Mortgaged Property and on or abutting the public sidewalks and/or highways in front or adjoining such Mortgaged Property or pursuant to any environmental protection act for the use of any furnace, compactors, incinerators, parking areas or for other matters covered by any such act, together with any penalties and interest on any of the foregoing;

(f) notify the Indenture Trustee of any monetary default or other material default by any Mortgagor Customer under the terms, covenants and conditions of any Mortgage Loan Collateral within five (5) days after the date the Issuer discovers such default;

(g) notify the appropriate Mortgagor Customer of any monetary default or other material default under the terms of any Mortgage Loan Collateral in accordance with the terms of the applicable Mortgage Loan Documents, and otherwise communicate with such Mortgagor Customer on the Indenture Trustee's behalf as and when required pursuant to the terms of such Mortgage Loan Documents;

(h) notify the Indenture Trustee of (i) any abandonment by a Mortgagor Customer of such Mortgaged Property; (ii) the Issuer's receipt of a notice from a Mortgagor Customer alleging that the Issuer is in default in the performance of its obligations under the Mortgage Loan Collateral or that any other right, entitlement, protection or condition for the benefit of a Mortgagor Customer is not being observed, performed or satisfied; (iii) the Issuer's receipt of any notice of a proposed or threatened exercise of the right of eminent domain with respect to the Mortgaged Property or any portion thereof; and (iv) any casualty, damage or injury to the Mortgaged Property or a portion thereof which could create a risk of a material, immediate diminution in the revenue earned by or generated from the Mortgaged Property;

(i) cooperate and assist in any legal proceedings by or against the Indenture Trustee or any the Indenture Trustee with regard to the Mortgage Loan Collateral or the Mortgaged Property and involving third parties;

(j) following an event of a default by any Mortgagor Customer which is not timely cured within any applicable notice and cure period, take such action as may be necessary or appropriate with respect to such default, including, without limitation, retaining counsel, at the Issuer's sole cost and expense, to foreclose the defaulting Mortgage Loan Collateral;

(k) maintain and keep in good order separate, accurate and complete accounts and records for the Indenture Trustee, and maintain orderly files containing records of interest and principal paid, insurance policies, leases and subleases, correspondence and all other documents and papers pertaining to the Mortgage Loan Collateral and the Mortgaged Property or the operation thereof;

(l) at the Indenture Trustee's option, either audit and verify the accuracy of any statements and information required to be submitted by any Mortgagor Customer with respect to its Mortgage Loan Collateral or refer said matter to the Indenture Trustee's accountants and cooperate with said accountants in the conduct of any such audit;

(m) take service, if requested, for the Indenture Trustee of legal notices; advise the Indenture Trustee's attorneys as promptly as possible of such service; advise the Indenture Trustee of the receipt of information concerning any claim of injury, damage or other liability against the Indenture Trustee or any the Indenture Trustee and, to the extent available, other relevant information concerning such claim; and provide copies of all relevant legal papers to the Indenture Trustee's attorneys. The Issuer will give notice of claims and forward documents to the Indenture Trustee's insurance carrier whenever appropriate, and furnish the Indenture Trustee with copies of insurance claims made against or on behalf of the Indenture Trustee; and

(n) generally, do all things reasonably deemed necessary or desirable for the proper servicing of Mortgage Loan Collateral.

Section 11.06 Servicing.

(a) The Issuer covenants to maintain or cause the servicing of the Mortgage Loans to be maintained in conformity with the Servicing Standard. In the event that the preceding language is interpreted as constituting one or more servicing contracts, each such servicing contract shall terminate automatically upon the earliest of (i) an Event of Default, (ii) the date on which all the Notes have been paid in full or (iii) the transfer of servicing.

(b) If the Mortgage Loans are serviced by the Issuer, (i) the Issuer agrees agree that the Indenture Trustee is the collateral assignee of all servicing records, including but not limited to any and all servicing agreements, files, documents, records, data bases, computer tapes, copies of computer tapes, proof of insurance coverage, insurance policies, appraisals, other closing documentation, payment history records, and any other records relating to or evidencing the servicing of Mortgage Loans (the "**Servicing Records**"), and (ii) the Issuer grants the Indenture Trustee a security interest in all servicing fees and rights relating to the Mortgage Loans and all Servicing Records to secure the obligation of the Issuer or its designee to service in conformity with this Section 11.06 and any other obligation of the Issuer to the Indenture Trustee and the Noteholders. The Issuer covenants to safeguard such Servicing Records and to deliver them promptly to the Indenture Trustee or its designee at the Indenture Trustee's request.

(c) If the Mortgage Loans are serviced by a third party servicer (such third party servicer, the “**Servicer**”), the Issuer (i) shall provide a copy of the servicing agreement to the Indenture Trustee, which shall be in form and substance acceptable to the Indenture Trustee (the “**Servicing Agreement**”), and (ii) shall provide a Servicer Notice to the Servicer substantially in the form of Exhibit H hereto (a “**Servicer Notice**”) and shall cause the Servicer to acknowledge and agree to the same. Any successor or assignee of a Servicer shall be approved in writing by the Indenture Trustee and shall acknowledge and agree to a Servicer Notice prior to such successor’s assumption of servicing obligations with respect to the Mortgage Loans.

(d) If the servicer of the Mortgage Loans is the Issuer or the Servicer is an Affiliate of the Issuer, such Person shall provide to the Indenture Trustee a letter to the effect that upon the occurrence of an Event of Default, the Indenture Trustee may terminate any Servicing Agreement and in any event transfer servicing to the Indenture Trustee’s designee, at no cost or expense to the Indenture Trustee, it being agreed that the Issuer will pay any and all fees required to terminate the Servicing Agreement and to effectuate the transfer of servicing to the designee of the Indenture Trustee.

(e) In the event the Issuer or its Affiliate is servicing the Mortgage Loans, the Issuer shall, and shall cause such Affiliate to, permit the Indenture Trustee from time to time to inspect the Issuer’s or such Affiliate’s, as the case may be, servicing facilities for the purpose of satisfying the Indenture Trustee that the Issuer or such Affiliate, as the case may be, has the ability to service the Mortgage Loans as provided in this Indenture.

Section 11.07 Termination of Servicing Duties.

At any time following an Event of Default, the Indenture Trustee may elect to discontinue the Issuer’s duties pursuant to Section 11.06. Following any such election by the Indenture Trustee, the Indenture Trustee shall designate and retain a subsidiary, affiliate or agent of the Indenture Trustee (the “**Indenture Trustee’s Designee**”) to perform said duties. Promptly after being discharged of its duties in accordance with the terms of this Section 11.07, the Issuer shall forward to the Indenture Trustee or the Indenture Trustee’s Designee any amounts then being held by the Issuer in connection with the Mortgage Loan Collateral or the Mortgaged Property.

ARTICLE XII COSTS

Section 12.01 Performance at the Issuer’s Expense.

The Issuer acknowledges and confirms that it shall be responsible for the payment of all costs of reappraisal of any Mortgaged Property or any part thereof, whether required by law, regulation or any governmental or quasi-governmental authority. The Issuer hereby acknowledges and agrees to pay, immediately, upon demand, all fees of a type or nature which may reasonably be imposed by the Indenture Trustee from time to time, in accordance with the priorities set forth herein. Wherever it is provided for herein that the Issuer pay any costs and expenses, such costs and expenses shall include, but not be limited to, all reasonable legal fees and disbursements of the Indenture Trustee in accordance with the priorities set forth herein.

ARTICLE XIII
MISCELLANEOUS

Section 13.01 Execution Counterparts.

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13.02 Compliance Certificates and Opinions, Etc.

Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Section 13.03 Form of Documents Delivered to Indenture Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Whenever this Indenture requires that a document or instrument (other than any Note) be delivered in substantially the form attached hereto as an exhibit, modifications and additions to and deletions from any such exhibit reflected in such document or instrument as delivered hereunder shall not impair the validity or acceptability of such document or instrument (nor shall any Person be entitled to reject such document or instrument as a result thereof) to the extent that such modifications, additions or deletions are approved by the Issuer and are made in a manner consistent with applicable law (including changes thereto).

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that any Person shall deliver any document as a condition of the granting of such application, or as evidence of such Person's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of such Person to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in ARTICLE V.

Section 13.04 No Oral Change.

This Indenture, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of the Issuer or the Indenture Trustee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought and otherwise in accordance herewith.

Section 13.05 Acts of Noteholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by the Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" or "Acts" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 5.01) conclusive in favor of the Indenture Trustee and the Issuer if made in the manner provided in this Section 13.05. With respect to authorization to be given or taken by Noteholders, the Indenture Trustee shall be authorized to follow the written directions or the vote of the Requisite Majority, unless any greater or lesser percentage is required by the terms hereunder.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner that the Indenture Trustee deems sufficient.

(c) The Outstanding Principal Balance and serial numbers of Notes held by any Person, and the date of holding the same, shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, election, declaration, waiver or other act of any Noteholder shall bind every future Noteholder of the same Note and the Noteholder of every Note issued upon the transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, suffered or omitted to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 13.06 Computation of Percentage of Noteholders.

Unless otherwise specified herein, whenever this Indenture states that any action may be taken by a specified percentage of the Noteholders, such statement shall mean that such action may be taken by the Noteholders of such specified percentage of the Outstanding Principal Balance.

Section 13.07 Notice to the Indenture Trustee, the Issuer and Certain Other Persons.

Any communication provided for or permitted hereunder shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given if delivered by courier or mailed by first class mail, postage prepaid, or if transmitted by facsimile and confirmed in a writing delivered or mailed as aforesaid, to: (a) in the case of the Issuer to MBC Funding II Corp., c/o Manhattan Bridge Capital, Inc., 60 Cutter Mill Road, Suite 205, Great Neck, New York 11021, Attention: Assaf Ran, and (b) in the case of the Indenture Trustee, Worldwide Stock Transfer, LLC, One University Plaza, Suite 505, Hackensack, New Jersey 07601, Attention: Jonathan Gellis, facsimile number: (201) 755-2597; or, as to each such Person, such other address or facsimile number as may hereafter be furnished by such Person to the parties hereto in writing.

Section 13.08 Notices to Noteholders; Notification Requirements and Waiver.

Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given if in writing and delivered by courier or mailed by first class mail, postage prepaid to each Noteholder affected by such event, at its address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is delivered or mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular courier and mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Section 13.09 Successors and Assigns.

All covenants and agreements in this Indenture by the Issuer shall bind their successors and permitted assigns, whether so expressed or not.

Section 13.10 Interest Charges; Waivers.

This Indenture is subject to the express condition that at no time shall the Issuer be obligated or required to pay interest hereunder at a rate which could subject the Indenture Trustee to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Issuer is permitted by applicable law to contract or agree to pay. If by the terms of this Indenture, the Issuer is at any time required or obligated to pay interest hereunder at a rate in excess of such maximum rate, such rate shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder.

The Issuer expressly waives presentment, demand, diligence, protest and all notices of any kind whatsoever with respect to this Indenture, except for notices expressly provided for in this Indenture or the Notes.

Section 13.11 Severability Clause.

In case any provision of this Indenture or of the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall, to the extent permitted by law, not in any way be affected or impaired thereby.

Section 13.12 Governing Law.

(a) THIS INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

(b) Any action or proceeding against any of the parties hereto relating in any way to this Indenture or any Note or the Collateral included in the Collateral Pool may be brought and enforced in the courts of the State of New York sitting in the borough of Manhattan or of the United States District Court for the Southern District of New York and each of the parties hereto irrevocably submits to the jurisdiction of each such court in respect of any such action or proceeding. Each of the parties hereto hereby waives, to the fullest extent permitted by law, any right to remove any such action or proceeding by reason of improper venue or inconvenient forum. As long as any of the Notes remain Outstanding, service of process upon the Issuer shall, to the fullest extent permitted by law, be deemed in every respect effective service in any such legal action or proceeding.

Section 13.13 WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 13.14 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 13.15 Benefits of Indenture.

Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the Noteholders and any other party secured hereunder or named as a beneficiary of any provision hereof, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 13.16 Trust Obligation.

No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (a) the Indenture Trustee in its individual capacity or

(b) any partner, owner, beneficiary, agent, officer, director, employee, agent or Control Person of the Issuer, the Indenture Trustee, in its individual capacity, any holder of a beneficial interest in the Issuer or of any successor or assignee of the Issuer, the Indenture Trustee, except as any such Person may have expressly agreed (it being understood that the Indenture Trustee does not any such obligations in its individual capacity).

Section 13.17 Inspection.

The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Indenture Trustee, during the Issuer's normal business hours, to examine all the books of account, records, reports, and other papers of the Issuer, to make copies and extracts therefrom and to discuss the Issuer's affairs, finances and accounts relating to the Issuer with the officers of MBC on behalf of the Issuer and the Issuer's employees and independent public accounting firm, all at such reasonable times and as often as may be reasonably requested. The Indenture Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) or the Indenture Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder.

Section 13.18 Method of Payment.

Except as otherwise provided in Section 2.15(b), all amounts payable or to be remitted pursuant to this Indenture shall be paid or remitted or caused to be paid or remitted in immediately available funds by wire transfer to an account specified in writing by the recipient thereof.

Section 13.19 Trust Indenture Act Controls.

If this Indenture is required to be qualified under the 1939 Act:

(a) if any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the 1939 Act, the required provision shall control;

(b) if any provision of this Indenture modifies any 1939 Act provision that may be so modified, such 1939 Act provision shall be deemed to apply to this Indenture as so modified;

(c) if any provision of this Indenture excludes any 1939 Act provision that may be so excluded, such 1939 Act provision shall be excluded from this Indenture; and

(d) the provisions of Sections 310 through 317 of the 1939 Act that impose duties on any Person (including the provisions automatically deemed included unless expressly excluded by this Indenture) shall be a part of and shall govern this Indenture, whether or not physically contained herein.

Section 13.20 Intercreditor Agreement.

(a) Each Noteholder, by its acceptance of Notes, (i) directs the Indenture Trustee to enter into the Intercreditor Agreement and to perform its obligations and exercise its rights thereunder in accordance therewith, subject to the terms and conditions of this Indenture; (ii) consents to the restrictions on Enforcement Actions (as defined therein) and to the treatment of liens as described and provided for therein; and (iii) agrees that it will be bound by, and will take no actions contrary to, the provisions of the Intercreditor Agreement.

(b) Upon receipt of evidence reasonably acceptable to the Indenture Trustee of the replacement or refinancing of the Webster Credit Agreement with a credit facility provided by another Person or Persons as lender or lenders pursuant to an agreement substantially identical to the terms of the Webster Credit Agreement, the Indenture Trustee shall, at the written request of MBC, execute and deliver a new intercreditor agreement with such other Person or Persons, provided that such new intercreditor agreement shall be in substance identical to the Intercreditor Agreement (other than the description of the new credit facility). Notwithstanding the foregoing, the Indenture Trustee shall not be required to execute and deliver such intercreditor agreement which, in the opinion of the Indenture Trustee, shall be likely to involve expense or liability to the Indenture Trustee, unless the Indenture Trustee shall have received an agreement satisfactory to it in its reasonable discretion to indemnify it against such liability and expense.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

MBC FUNDING II CORP., as the Issuer

By : /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

MANHATTAN BRIDGE CAPITAL, INC.

By : /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

WORLDWIDE STOCK TRANSFER, LLC,
not in its individual capacity but solely as Indenture Trustee

By: /s/ Yonah J. Kopstick
Name: Yonah J. Kopstick
Title: SVP

Signature Page to Indenture

EXHIBIT A

MORTGAGE LOAN SCHEDULE

A- 1 -1

SCHEDULE A

Loan No.	Name	Agreement Date	Maturity Date	Original Loan Amount	Current Principal Balance	Interest Rate	Property Address	
1	218	1370 Bushwick Avenue LLC	01/29/13	07/28/16	250,000.00	250,000.00	12.00%	1370 Bushwick Avenue, Brooklyn NY
2	235	300 Great Neck Rd LLC	05/14/13	11/11/16	1,000,000.00	1,000,000.00	12.00%	300 Great Neck Rd Great Neck, NY
3	239	1237 Eastern Pkwy LLC	05/23/13	11/20/16	500,000.00	500,000.00	12.00%	1237 Eastern Parkway, Brooklyn NY
4	265	BA Home Group Services Corp.	12/09/13	06/07/16	265,000.00	265,000.00	13.00%	215 Highland Blvd, Brooklyn NY
5	289	67 Jefferson Villa LLC	04/09/14	07/07/16	1,050,000.00	1,050,000.00	12.00%	67 Jefferson Avenue, Brooklyn NY
6	351	647 New Jersey Corp	02/26/15	08/25/16	370,000.00	370,000.00	14.00%	647 New Jersey Avenue, Brooklyn NY
7	394	East 42nd Development Inc.	10/08/15	10/07/16	450,000.00	450,000.00	12.00%	156-12 107 Avenue (Unit 1,2,3) & 156-14 107 Avenue (U
8	399	1460 East Gun Hill Road LLC	10/20/15	10/19/16	300,000.00	300,000.00	12.00%	1460 East Gun Hill Road, Bronx NY
9	402	381 JEFF LLC	10/26/15	10/25/16	400,000.00	400,000.00	12.00%	381 Jefferson Ave, Brooklyn NY
10	405	66 Pulaski LLC	11/06/15	11/05/16	260,000.00	260,000.00	12.00%	1483 East 53rd Street, Brooklyn NY
11	406	Tokyo 143 LLC	11/10/15	11/09/16	370,000.00	370,000.00	12.00%	131-25 220th Street, Queens NY
12	407	Palisades Realty Holdings LLC	11/10/15	11/09/16	72,500.00	72,500.00	12.00%	105 Palisades Avenue, Yonkers NY
13	408	DIDI Capital Corp	11/16/15	11/15/16	650,000.00	650,000.00	12.00%	696A Lexington Ave, Brooklyn NY
14	412	NSI 16 Corp	12/09/15	12/08/16	580,000.00	580,000.00	12.00%	343 Winthrop Street, Brooklyn NY
15	416	B Q Invest Inc.	01/11/16	01/10/17	355,000.00	355,000.00	12.00%	903 Pine Street, Brooklyn NY
16	430	DSE Solutions Inc.	03/18/16	03/17/17	110,000.00	110,000.00	12.00%	1276 Givan Ave, Bronx NY
17	431	Rosedale Plaza Corp	03/22/16	03/21/17	150,000.00	150,000.00	13.00%	90 Rosedale Rd, Valley Stream NY
18	433	GME Marketing Group LLC	03/30/16	03/29/17	110,000.00	110,000.00	12.00%	30 Liberty St, Patchogue NY & 35 Maple Ave, Shirley NY
				7,242,500.00	7,242,500.00			

EXHIBIT B-1

FORM OF GLOBAL SENIOR SECURED NOTE

Note Rate: 6%

Initial Principal Balance of this Note:
\$[_____]

Closing Date: April 25, 2016

CUSIP No. 55280YAA8

First Payment Date: June 15, 2016

ISIN No. _____

Issuer: MBC Funding II Corp.

Final Payment Date: April 22, 2026

Indenture Trustee: Worldwide Stock Transfer, LLC

Note No. 001

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE INDENTURE TRUSTEE, THE NOTE REGISTRAR OR ANY AGENT THEREOF FOR REGISTRATION OF TRANSFER, EXCHANGE, OR DISTRIBUTION, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR DEFINITIVE NOTES, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

THE HOLDER HEREOF, BY ACCEPTING THIS NOTE, AND EACH BENEFICIAL OWNER BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THIS NOTE, EACH AGREES TO TREAT THIS NOTE AND SUCH BENEFICIAL INTEREST FOR PURPOSES OF UNITED STATES FEDERAL, STATE AND LOCAL INCOME OR FRANCHISE TAXES AND ANY OTHER TAXES IMPOSED ON OR MEASURED BY INCOME, AS INDEBTEDNESS OF THE ISSUER AND TO REPORT THIS NOTE AND SUCH BENEFICIAL INTEREST ON ALL APPLICABLE TAX RETURNS IN A MANNER CONSISTENT WITH SUCH TREATMENT.

REDUCTIONS OF THE OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE MAY BE MADE QUARTERLY AS SET FORTH IN THE INDENTURE REFERRED TO HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THE NOTES ARE SOLELY OBLIGATIONS OF THE ISSUER AND DO NOT REPRESENT OBLIGATIONS OF ANY OTHER PERSON, INCLUDING, WITHOUT LIMITATION, THE INDENTURE TRUSTEE, THE UNDERWRITER OR ANY OF THEIR RESPECTIVE AFFILIATES. THE NOTES ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

The Issuer, a New York corporation, for value received, hereby promises to pay to Cede & Co. or its registered assigns, upon presentation and surrender of this Note (this “**Note**”), the principal sum of [_____] United States dollars (\$[_____]) on the Final Payment Date referred to above, together with interest hereon from time to time in the amounts and at the times specified in the Indenture referred to below.

This Note is issued by the Issuer pursuant to an Indenture, to be dated on or about April 25, 2016 (as amended or supplemented thereafter, the “**Indenture**”), between MBC FUNDING II CORP. (the “**Issuer**”), MANHATTAN BRIDGE CAPITAL, INC. and WORLDWIDE STOCK TRANSFER, LLC, as indenture trustee (in such capacity, the “**Indenture Trustee**”), and will be secured by the assets of the Issuer (individually, the “**Collateral**” and, collectively, the “**Collateral Pool**”). To the extent not defined herein, capitalized terms used herein have the respective meanings assigned in the Indenture. This Note is issued under and is subject to the terms, provisions and conditions of the Indenture, to which Indenture the Holder of this Note by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Indenture, payments of any interest and other amounts payable on this Note, and, to the extent required by the terms of the Indenture, payments of principal on this Note shall be made on the 15 th day of each calendar month, commencing on June 15, 2016, or, if any such day is not a Business Day, then on the next succeeding Business Day (each, a “**Payment Date**”), to the Person in whose name this Note is registered at the close of business on the related Record Date. All payments made under the Indenture on this Note will be made by the Indenture Trustee by wire transfer of immediately available funds to the account of the Person entitled thereto at a bank or other entity having appropriate facilities therefor, if such Noteholder shall have provided the Indenture Trustee with wiring instructions prior to the related Record Date (which wiring instructions may be in the form of a standing order applicable to all subsequent payments), or otherwise by check mailed to the address of such Noteholder as it appears in the Note Register as of the related Record Date. Notwithstanding the foregoing, the final payment on this Note on the Final Payment Date will be made in like manner, but only upon presentation and surrender of this Note at the offices of the Indenture Trustee or such other location specified in the notice to the Holder hereof of such final payment. Notwithstanding anything herein to the contrary, no payments will be made with respect to a Note that has previously been surrendered as contemplated by the preceding sentence or, with limited exception, that should have been surrendered as contemplated by the preceding sentence.

Any payment to the Holder of this Note in reduction of the Outstanding Principal Balance hereof is binding on such Holder and all future Holders of this Note and any Note issued upon the transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such payment is made upon this Note.

The Notes are issuable in fully registered form only without coupons in minimum denominations specified in the Indenture.

Each transferee of a Note or an Ownership Interest therein will be deemed to have represented, warranted and agreed that either (i) such transferee is not, and is not purchasing such Note on behalf of, as a fiduciary of, as trustee of, or with the assets of, a Plan or (ii)(A) such Note is rated investment grade or better as of the date of the purchase, (B) such transferee believes that such Note is properly treated as indebtedness without substantial equity features for purposes of Department of Labor Regulations, as modified by ERISA, and agrees to so treat such Note and (C) such transferee's acquisition and continued holding of such Note or Ownership Interest therein will not give rise to a non-exempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code (or any law materially similar to Section 4975 of the Code or Section 406 of ERISA).

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Note Register upon surrender of this Note for registration of transfer at the offices of the Note Registrar, duly endorsed by, or accompanied by a written instrument of transfer in the form satisfactory to the Note Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of the same authorized denominations evidencing the same Outstanding Principal Balance will be issued to the designated transferee or transferees.

No service charge will be imposed for any transfer or exchange of this Note, but the Indenture Trustee or the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note.

The Issuer, the Indenture Trustee, the Note Registrar and any agent of any thereof may treat the Person in whose name this Note is registered as the owner hereof for all purposes, and none of the Issuer, the Indenture Trustee, the Note Registrar or any such agent shall be affected by notice to the contrary.

The Indenture, any Asset Purchase Agreement and the Notes are subject to amendment, including by supplemental indenture, from time to time in accordance with the terms thereof, including in circumstances which do not require the consent of any or all Noteholders.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee, by manual signature, the Note shall not be entitled to any benefit under the Indenture or be valid for any purpose.

The Indenture Trustee makes no representation as to the validity or sufficiency of this Note (other than as to its signature set forth hereon below).

This Note shall be governed by and construed in accordance with the laws of the State of New York (including Section 5-1401 of the General Obligations Law of the State of New York, but otherwise without regard to conflict of laws principles).

IN WITNESS WHEREOF, the Issuer have caused this instrument to be duly executed by the Issuer.

Dated: [_____], 2016

MBC FUNDING II CORP.

By: Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

WORLDWIDE STOCK TRANSFER, LLC,
not in its individual capacity but solely as Indenture Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address including postal zip code of assignee)

the within Senior Secured Note and hereby authorize(s) the registration of transfer of such Note to assignee on the Note Register.

I (we) further direct the Note Registrar to issue a new Senior Secured Note of a like Outstanding Principal Balance to the above named assignee and deliver such Note to the following address:

Dated: _____

Signature by or on behalf of Assignor

Signature Guaranteed

PAYMENT INSTRUCTIONS

The Assignee should include the following for purposes of payment:

Payments shall, if permitted, be made by wire transfer or otherwise, in immediately available funds, to _____ for the account of

_____.

Payments made by check (such check to be made payable to _____) and all applicable statements and notices should be mailed to

_____.

This information is provided by _____, the Assignee named above, or _____, as its agent.

EXHIBIT B-2

FORM OF DEFINITIVE SENIOR SECURED NOTE

DEFINITIVE NOTE

Note Rate: 6%

Initial Principal Balance of this Note:
\$[_____]

Closing Date: April 25, 2016

CUSIP No. 55280YAA8

First Payment Date: June 15, 2016

ISIN No. _____

Issuer: MBC Funding II Corp.

Final Payment Date: April 22, 2026

Indenture Trustee: Worldwide Stock Transfer, LLC

Note No. ____

THE HOLDER HEREOF, BY ACCEPTING THIS NOTE, AGREES TO TREAT THIS NOTE FOR PURPOSES OF UNITED STATES FEDERAL, STATE AND LOCAL INCOME OR FRANCHISE TAXES AND ANY OTHER TAXES IMPOSED ON OR MEASURED BY INCOME, AS INDEBTEDNESS OF THE ISSUER AND TO REPORT THIS NOTE ON ALL APPLICABLE TAX RETURNS IN A MANNER CONSISTENT WITH SUCH TREATMENT.

REDUCTIONS OF THE OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE MAY BE MADE MONTHLY AS SET FORTH IN THE INDENTURE REFERRED TO HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL BALANCE HEREOF AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE.

THE NOTES ARE SOLELY OBLIGATIONS OF THE ISSUER AND DO NOT REPRESENT OBLIGATIONS OF ANY OTHER PERSON, INCLUDING, WITHOUT LIMITATION, THE INDENTURE TRUSTEE, THE UNDERWRITER OR ANY OF THEIR RESPECTIVE AFFILIATES. THE NOTES ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

The Issuer, a New York corporation, for value received, hereby promises to pay to [_____] or its registered assigns, upon presentation and surrender of this Note (this “**Note**”), the principal sum of [_____] United States dollars (\$[_____]) on the Final Payment Date referred to above, together with interest hereon from time to time in the amounts and at the times specified in the Indenture referred to below.

This Note is issued by the Issuer pursuant to an Indenture, to be dated on or about April 25, 2016 (as amended or supplemented thereafter, the “**Indenture**”), between MBC FUNDING II CORP. (as the Issuer “**Issuer**”), MANHATTAN BRIDGE CAPITAL, INC. and WORLDWIDE STOCK TRANSFER, LLC, as indenture trustee (in such capacity, the “**Indenture Trustee**”), and will be secured by the assets of the Issuer (individually, the “**Collateral**” and, collectively, the “**Collateral Pool**”). To the extent not defined herein, capitalized terms used herein have the respective meanings assigned in the Indenture. This Note is issued under and is subject to the terms, provisions and conditions of the Indenture, to which Indenture the Holder of this Note by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Indenture, payments of any interest and other amounts payable on this Note and, to the extent required by the terms of the Indenture, payments of principal on this Note shall be made on the 15 th day of each calendar month, commencing on June 15, 2016, or, if any such day is not a Business Day, then on the next succeeding Business Day (each, a “**Payment Date**”), to the Person in whose name this Note is registered at the close of business on the related Record Date. All payments made under the Indenture on this Note will be made by the Indenture Trustee by wire transfer of immediately available funds to the account of the Person entitled thereto at a bank or other entity having appropriate facilities therefor, if such Noteholder shall have provided the Indenture Trustee with wiring instructions prior to the related Record Date (which wiring instructions may be in the form of a standing order applicable to all subsequent payments), or otherwise by check mailed to the address of such Noteholder as it appears in the Note Register as of the related Record Date. Notwithstanding the foregoing, the final payment on this Note on the Final Payment Date will be made in like manner, but only upon presentation and surrender of this Note at the offices of the Indenture Trustee or such other location specified in the notice to the Holder hereof of such final payment. Notwithstanding anything herein to the contrary, no payments will be made with respect to a Note that has previously been surrendered as contemplated by the preceding sentence or, with limited exception, that should have been surrendered as contemplated by the preceding sentence.

Any payment to the Holder of this Note in reduction of the Outstanding Principal Balance hereof is binding on such Holder and all future Holders of this Note and any Note issued upon the transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such payment is made upon this Note.

The Notes are issuable in fully registered form only without coupons in minimum denominations specified in the Indenture.

No transfer of this Note or any interest herein may be made unless that transfer is made pursuant to an effective registration statement under the Securities Act, and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. No person is obligated to register or qualify any of the Notes under the Securities Act or any other securities law or to take any action not otherwise required under the Indenture to permit the transfer of any Note or interest therein without registration or qualification.

Each transferee of a Note or an Ownership Interest therein shall represent, warrant and agree that either (i) such transferee is not, and is not purchasing such Note on behalf of, as a fiduciary of, as trustee of, or with the assets of, a Plan or (ii)(A) such Note is rated investment grade or better as of the date of the purchase, (B) such transferee believes that such Note is properly treated as indebtedness without substantial equity features for purposes of Department of Labor Regulations, as modified by ERISA, and agrees to so treat such Note and (C) such transferee's acquisition and continued holding of such Note or Ownership Interest therein will not give rise to a non-exempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code (or any law materially similar to Section 4975 of the Code or Section 406 of ERISA).

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Note Register upon surrender of this Note for registration of transfer at the offices of the Note Registrar, duly endorsed by, or accompanied by a written instrument of transfer in the form satisfactory to the Note Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of the same authorized denominations evidencing the same Outstanding Principal Balance will be issued to the designated transferee or transferees.

No service charge will be imposed for any transfer or exchange of this Note, but the Indenture Trustee or the Note Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note.

The Issuer, the Indenture Trustee, the Note Registrar and any agent of any thereof may treat the Person in whose name this Note is registered as the owner hereof for all purposes, and none of the Issuer, the Indenture Trustee, the Note Registrar or any such agent shall be affected by notice to the contrary.

The Indenture, any Asset Purchase Agreement and the Notes are subject to amendment, including by supplemental indenture, from time to time in accordance with the terms thereof, including in circumstances which do not require the consent of any or all Noteholders.

Unless the certificate of authentication hereon has been executed by the Note Registrar, by manual signature, the Note shall not be entitled to any benefit under the Indenture or be valid for any purpose.

The Indenture Trustee makes no representation as to the validity or sufficiency of this Note (other than as to its signature set forth hereon below).

This Note shall be governed by and construed in accordance with the laws of the State of New York (including Section 5-1401 of the General Obligations Law of the State of New York, but otherwise without regard to conflict of laws principles).

IN WITNESS WHEREOF, the Issuer have caused this instrument to be duly executed by the Issuer.

Dated: [_____], 2016

MBC FUNDING II CORP.

By: Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

WORLDWIDE STOCK TRANSFER, LLC,
not in its individual capacity, but solely in its capacity as Indenture Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address including postal zip code of assignee)

the within Senior Secured Note and hereby authorize(s) the registration of transfer of such Note to assignee on the Note Register.

I (we) further direct the Note Registrar to issue a new Senior Secured Note of a like Outstanding Principal Balance to the above named assignee and deliver such Note to the following address:

Dated: _____

Signature by or on behalf of Assignor

Signature Guaranteed

PAYMENT INSTRUCTIONS

The Assignee should include the following for purposes of payment:

Payments shall, if permitted, be made by wire transfer or otherwise, in immediately available funds, to _____ for the account of _____.

Payments made by check (such check to be made payable to _____) and all applicable statements and notices should be mailed to _____.

This information is provided by _____, the Assignee named above, or _____, as its agent.

EXHIBIT C

FORM OF INTERIM RECEIPT

[DATE]

MBC Funding II Corp.
60 Cutter Mill Road, Suite 205
Great Neck, New York 11021

Manhattan Bridge Capital, Inc.
60 Cutter Mill Road, Suite 205
Great Neck, New York 11021

Aegis Capital Corp.
810 Seventh Avenue, 18 th Floor
New York, New York 10019

RE: Interim Receipt pursuant to Section 2.03(b) of the Indenture, dated on or about _____, 2016 (as amended or supplemented thereafter, the “**Indenture**”), between MBC FUNDING II CORP. (the “**Issuer**”), MANHATTAN BRIDGE CAPITAL, INC. and WORLDWIDE STOCK TRANSFER, LLC, as indenture trustee (in such capacity, the “**Indenture Trustee**”)

Ladies and Gentlemen:

In accordance with Section 2.03(b) of the above-referenced Indenture, the Indenture Trustee hereby certifies that, with respect to each Mortgage Loan File related to the Mortgaged Properties listed on Schedule hereto, subject to any exceptions set forth in Schedule hereto, and other than any Mortgage Loan or Mortgaged Property specifically identified in any exception report annexed thereto as not being covered by such certification, (i) the original or a physical or electronic copy (certified to be true, correct and complete by the Issuer) of each Mortgage Loan is in its possession and (ii) such Mortgage Loan has been reviewed by it, appears regular on its face and appears to relate to a Mortgaged Property included in the Collateral.

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

WORLDWIDE STOCK TRANSFER, LLC

By: Name:
 Title:

EXHIBIT D

FORM OF RECEIPT OF COLLATERAL

[DATE]

MBC Funding II Corp.
60 Cutter Mill Road, Suite 205
Great Neck, New York 11021

Manhattan Bridge Capital, Inc.
60 Cutter Mill Road, Suite 205
Great Neck, New York 11021

Aegis Capital Corp.
810 Seventh Avenue, 18 th Floor
New York, New York 10019

RE: Receipt of Collateral pursuant to Section 2.03(b) of the Indenture, dated on or about _____, 2016 (as amended or supplemented thereafter, the “ **Indenture** ”), between MBC FUNDING II CORP. (the “ **Issuer** ”), MANHATTAN BRIDGE CAPITAL, INC. and WORLDWIDE STOCK TRANSFER, LLC, as indenture trustee (in such capacity, the “ **Indenture Trustee** ”)

Ladies and Gentlemen:

In accordance with Section 2.03(b) of the above-referenced Indenture, the Indenture Trustee hereby certifies that, with respect to each Mortgage Loan File related to the Mortgaged Properties listed on Schedule hereto, subject to any exceptions set forth in Schedule hereto, and other than with respect to any Mortgage Loan or Mortgaged Property specifically identified in any exception report annexed thereto as not being covered by such certification, (i) all documents specified in the definition of “Mortgage Loan File” are in its possession, (ii) all such documents received by it with respect to such Mortgage Loan and the related Mortgaged Property have been reviewed by it, appear to be regular on their face and appear to relate to such Mortgage Loan or the related Mortgaged Property, and (iii) based on the examinations referred to in Section 2.03 of the Indenture and only as to the foregoing documents, the information set forth in such Mortgage Loan Schedule with respect to the items specified in clause (i) of the definition of “Mortgage Loan Schedule” accurately reflects the information set forth in such Mortgage Loan File.

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Worldwide Stock Transfer, LLC

By: Name:
 Title:

EXHIBIT E

FORM OF TRANSFEROR CERTIFICATE

[Date]

Worldwide Stock Transfer, LLC
One University Plaza, Suite 505
Hackensack, New Jersey 07601
Attention: Jonathan Gellis

Re: MBC FUNDING II CORP., Senior Secured Notes (the “**Notes**”)

Ladies and Gentlemen:

This letter is delivered to you in connection with the transfer by _____ (the “**Transferor**”) to _____ (the “**Transferee**”) of Notes having an initial Outstanding Principal Balance as of _____, 2016 (the “**Closing Date**”) of \$[_____] (the “**Transferred Notes**”). The Notes, including the Transferred Notes, were issued pursuant to an Indenture, to be dated on or about _____, 2016 (as amended or supplemented thereafter, the “**Indenture**”), between MBC Funding II Corp. (the “**Issuer**”), Manhattan Bridge Capital, Inc. and Worldwide Stock Transfer, LLC, as indenture trustee (in such capacity, the “**Indenture Trustee**”). All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Indenture. The Transferor hereby certifies, represents and warrants to you, as Note Registrar, and for the benefit of the Issuer, the Indenture Trustee and the Transferee, that:

1. The Transferor is the lawful owner of the Transferred Notes with the full right to transfer such Notes free from any and all claims and encumbrances whatsoever.
2. The Transferor or a person acting on its behalf has furnished, or caused to be furnished, to the Transferee all information regarding (a) the Transferred Notes and payments thereon, (b) the nature and performance of the Mortgage Loans and the Mortgaged Properties, (c) the Indenture and the Collateral, and (d) any other information with respect to the Transferred Notes, that the Transferee has requested.

Very truly yours,

(Transferor)

By: _____

Name: _____

Title: _____

EXHIBIT F

LIST OF AUTHORIZED SIGNATORIES

PLEDGOR

Name _____
Title _____
Phone _____
E-mail Address _____

Specimen Signature

Name _____
Title _____
Phone _____
E-mail Address _____

SECURED PARTY

Name _____
Title _____
Phone _____
E-mail Address _____

Specimen Signature

Name _____
Title _____
Phone _____
E-mail Address _____

EXHIBIT G

FORM OF TRUSTEE REPORT

1. With respect to the current Payment Date, (A) the balances on deposit in the Collection Account and any other Account established under the Indenture on the Remittance Date immediately preceding the prior Payment Date (or, with respect to the first Payment Date, on the Closing Date) (the “ Preceding Remittance Date ”), (B) the aggregate amounts of deposits into and withdrawals from the Collection Account and any other Account established under the Indenture from but excluding the Preceding Remittance Date to and including the Remittance Date immediately preceding the Payment Date (the “ Current Remittance Date ”) and (C) the balances on deposit in the Collection Account and any other Account established under the Indenture on the Current Remittance Date.
2. Analysis of Collection Account activity from the Preceding Remittance Date to the Current Remittance Date:
 - a. Balance on the Preceding Remittance Date
 - b. Payments and other proceeds of the Collateral Pool from but excluding the Preceding Remittance Date to and including the Current Remittance Date, including Unscheduled Proceeds (“ Current Collections ”)
 - c. Payments on account of Guarantees
 - d. Aggregate Note payments from but excluding the Preceding Remittance Date to and including the Current Remittance Date
 - e. Expense payments payable on the Current Remittance Date
 - f. Balance on the Current Remittance Date
3. Amount, if any, to be transferred from the Release Account to the Collection Account with respect to the current Payment Date
4. Payments on the current Payment Date
 - a. Indenture Trustee fees and expenses
 - b. Note Interest
 - c. Mandatory Principal Payments
 - d. Payments on account the Outstanding Principal Balance of the Notes
5. Outstanding Principal Balance
 - a. Opening Outstanding Principal Balance
 - b. Principal payments, if any, made on the current Payment Date
 - c. Closing Outstanding Principal Balance
6. Amount distributed to the Issuer from the Collection Account, if any, with respect to the current Payment Date
7. Amount distributed to the Issuer from the Release Account, if any, with respect to the current Payment Date

EXHIBIT H

FORM OF SERVICER NOTICE

[Date]

MBC Funding II Corp.
c/o Manhattan Bridge Capital, Inc. 60 Cutter Mill Road, Suite 205 Great Neck, New
York 11021 Attention: Assaf Ran

Worldwide Stock Transfer, LLC One University Plaza, Suite 505 Hackensack, New
Jersey 07601 Attention: Jonathan Gellis

Ladies and Gentlemen:

This notice is being delivered pursuant to Section 11.06(c) of a certain Indenture, dated as of April 25, 2016 (as amended, supplemented or otherwise modified from time to time, the “**Indenture**”), between MBC FUNDING II CORP., a New York corporation, as issuer (the “**Issuer**”), MANHATTAN BRIDGE CAPITAL, INC., a New York corporation, and WORLDWIDE STOCK TRANSFER, LLC, a New Jersey limited liability company, not in its individual capacity, but solely as indenture trustee (the “**Indenture Trustee**”). Capitalized terms used but not otherwise defined herein shall have respective meanings assigned to them in the Indenture.

Notice is hereby given that the Issuer has designated _____ to serve as the servicer (the “**Servicer**”) of the Collateral Pool under the Indenture.

The designation of _____ as Servicer will become final if the Indenture Trustee delivers to Issuer written confirmation that such person designated to become the Servicer is approved by the Indenture Trustee. Accordingly, such approval is hereby requested as soon as possible.

The undersigned Servicer hereby agrees with all the other parties to the Indenture that the undersigned shall serve as Servicer under the Indenture. The undersigned Servicer hereby acknowledges that, as of the date hereof, it is and shall be a party to the Indenture and bound thereby to the full extent indicated therein in the capacity of Servicer.

By signing the enclosed copies of this notice where indicated below and returning them to each of the Issuer and the Servicer, the Indenture Trustee approves the appointment of the Servicer.

MBC FUNDING II CORP., as the Issuer

By: Name:
Title:

Acknowledged and agreed to:

[SERVICER]

By: _____
Name:
Title:

Acknowledged and approved:

WORLDWIDE STOCK TRANSFER, LLC,
not in its individual capacity but solely as Indenture Trustee

By: _____
Name:
Title:

ASSET PURCHASE AGREEMENT

Dated as of April 25, 2016

between

**MANHATTAN BRIDGE CAPITAL, INC.
as Seller**

and

**MBC FUNDING II CORP.
as Buyer**

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this "Agreement"), dated as of April 25, 2016, between MBC FUNDING II CORP. ("Buyer") and MANHATTAN BRIDGE CAPITAL, INC. ("Seller").

WITNESSETH:

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Purchased Assets (as more particularly described herein) on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties to this Agreement agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions. In this Agreement, the following terms have the meanings specified or referred to in this Section 1.1 and shall be equally applicable to both the singular and plural forms.

"**Affiliate**" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Court Order**" means any judgment, order, decree, award, ruling, decision, verdict, subpoena, injunction or settlement entered, issued, made or rendered by, or any consent agreement, memorandum of understanding or other Contract with, any Governmental Body (in each case whether temporary, preliminary or permanent), or non-U.S., court or tribunal and any award in any arbitration proceeding.

"**Encumbrance**" means any lien (statutory or other), claim, charge, security interest, mortgage, deed of trust, pledge, hypothecation, assignment, conditional sale or other title retention agreement, preference, priority or other security agreement or preferential arrangement of any kind, and, with respect to any real property included in the Purchased Assets (if any), any easement, encroachment, covenant, restriction, right of way, defect in title or other encumbrance of any kind.

“**Environmental Laws**” means any and all local, state, federal or other governmental authority, statute, ordinance, code, order, decree, law, rule or regulation pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Resource Conservation and Recovery Act, as amended, the Emergency Planning and Community Right-to-Know Act of 1986, as amended, the Hazardous Substances Transportation Act, as amended, the Solid Waste Disposal Act, as amended, the Clean Water Act, as amended, the Clean Air Act, as amended, the Toxic Substance Control Act, as amended, the Safe Drinking Water Act, as amended, the Occupational Safety and Health Act, as amended, any state super-lien and environmental statutes and all rules and regulations adopted in respect to the foregoing laws whether presently in force or coming into being and/or effectiveness hereafter.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Extraordinary Receipts**” means any cash proceeds received by the Issuer not in the ordinary course of business, including, without limitation, (a) foreign, United States, state or local tax refunds, (b) judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (c) condemnation awards (and payments in lieu thereof), (d) indemnity payments and (e) any adjustment received in connection with any purchase price in respect of an acquisition.

“**Governmental Body**” means any United States federal, state or local, or any supra national or non U.S., government, political subdivision, governmental, regulatory or administrative authority, instrumentality, agency body or commission, self-regulatory organization, court, tribunal or judicial or arbitral body.

“**Hazardous Substances**”: Any hazardous and/or toxic, dangerous and/or regulated, substances, wastes, materials, raw materials which include hazardous constituents, pollutants or contaminants including without limitation, petroleum, tremolite, anthlophyllie, actinolite or polychlorinated biphenyls and any other substances or materials which are included under or regulated by Environmental Laws or which are considered by scientific opinion to be otherwise dangerous in terms of the health, safety and welfare of humans.

“**Indenture**” means the Indenture, dated as of the date hereof, among Buyer, Seller and Indenture Trustee, as from time to time amended, restated, supplemented or otherwise modified.

“**Indenture Trustee**” means Worldwide Stock Transfer, LLC, in its capacity as trustee under the Indenture, or its successor in interest, or any successor trustee appointed as provided in the Indenture.

“ **Knowledge of Seller** ” means the actual knowledge, or the knowledge that such Person would have had if such Person had conducted a reasonable inquiry with respect to the subject matter thereof, of any of the following individuals: Assaf Ran and Vanessa Kao.

“ **Liabilities** ” means any liabilities, claims or obligations, direct or indirect, known or unknown, absolute or contingent.

“ **Leasehold Interests** ” means all of Seller’s right, title and interest in and to any real property owned by a Person other than Seller, whether as tenant, lessee, licensee, operator or otherwise.

“ **Mortgagor Customer** ” means, with respect to each Mortgage Loan, the obligor on the related Mortgage Note.

“ **Mortgage Loan** ” means a mortgage loan provided to a Mortgagor Customer and which mortgage loan includes, without limitation, (a) a Mortgage Note, the related Mortgage and all other Mortgage Loan Documents and (b) all right, title and interest of Seller in and to the Mortgaged Property covered by such Mortgage.

“ **Mortgage Loan Assets** ” means, as of the applicable Purchase Date, all of Seller’s right, title and interest in, to and under each of the following items of property, then owned and existing and wherever located:

(a) all Mortgage Loans;

(b) all Mortgage Loan Documents, including without limitation all Mortgage Notes, and all servicing records, servicing agreements and any other collateral pledged or otherwise relating to such Mortgage Loans, together with all files, documents, instruments, surveys, certificates, correspondence, appraisals, computer programs, computer storage media, accounting records and other books and records relating thereto;

(c) all mortgage guaranties and insurance (issued by governmental agencies or otherwise) and any mortgage insurance certificate or other document evidencing such mortgage guaranties or insurance relating to any Mortgage Loan and all claims and payments thereunder;

(d) all other insurance policies and insurance proceeds relating to any Mortgage Loan or the related Mortgaged Property;

(e) all interest rate protection agreements, relating to or constituting any and all of the foregoing;

(f) all “general intangibles”, “accounts” and “chattel paper” as defined in the UCC relating to or constituting any and all of the foregoing;

and

(g) any and all replacements, substitutions, distributions on or proceeds of any and all of the foregoing.

“ **Mortgage Loan Documents** ” means, with respect to a Mortgage Loan, the documents comprising the Mortgage Loan File for such Mortgage Loan.

“ **Mortgage Loan File** ” means, for any Mortgage Loan, (a) the original Mortgage Note bearing all intervening endorsements, if any, duly endorsed to Buyer, (b) the original Mortgage(s) securing each Mortgage Note with evidence of recording thereon or copies certified by the related recording office, (c) the Collateral Assignment, if any, executed in connection with such Mortgage(s), (d) any original stock certificates (accompanied by applicable stock powers), instruments, chattel paper or other collateral securing any Mortgage Loan in which the perfection of Seller’s lien is based upon Seller’s possession thereof, (e) the valuation or appraisal, if any, of the subject Mortgaged Property prepared by a third party valuation or appraisal service, (f) the Related Title Policy, (g) the evidence of liability and property/casualty insurance coverage relating to the Mortgaged Property, and (h) an opinion, if any, of counsel, addressed to Seller (or its predecessor in interest) that the Mortgage Note, the Mortgage(s) and the Mortgage Loans Assignments, if any, are the valid and binding obligations of the parties thereto enforceable in accordance with their terms and have been duly and validly endorsed or assigned to Seller (or its predecessor in interest).

“ **Mortgage Note** ” means the original executed promissory note or other evidence of the indebtedness of a Mortgagor Customer with respect to a Mortgage Loan.

“ **Mortgaged Property** ” means the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral securing repayment of the debt evidenced by a Mortgage Note.

“ **Person** ” means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or Governmental Body.

“ **Purchase** ” means a purchase by Buyer of Mortgage Loans pursuant to Section 2.1.

“ **Purchase Date** ” means each Business Day on which any Mortgage Loan, the related Mortgage Loan Assets and the Related Assets are acquired by Buyer pursuant to the terms of this Agreement.

“ **Receivables** ” means all of Seller’s accounts, contract rights, instruments (including those evidencing indebtedness owed to Seller by its Affiliates), documents, chattel paper (including electronic chattel paper), general intangibles relating to accounts, drafts and acceptances (including payment intangibles), and all other forms of obligations owing to Seller arising out of or in connection with a Mortgage Loan sold, transfer, assigned, conveyed or delivered to Buyer hereunder, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold, transfer, assigned, conveyed or delivered to Buyer hereunder.

“ **Related Assets** ” means, with respect to a Mortgage Loan sold, transfer, assigned, conveyed or delivered to Buyer hereunder, all of Seller’s right, title and interest in and to the following related to such Mortgage Loan as of the applicable Purchase Date then owned and existing and wherever located: (i) all Receivables; (ii) all general intangibles; (iii) all contract rights, rights of payment which have been earned under a contract right, instruments, investment property, documents, chattel paper, warehouse receipts, deposit accounts, money and securities; (iv) all Mortgage Loan Assets and all payments required thereunder on and after the applicable Purchase Date; (v) all Securities; (vi) all Leasehold Interests; (vii) all commercial tort claims; (viii) any guarantees of and security for the related Mortgagor Customer’s obligations under such Mortgage Loan, including any security deposits thereunder; (ix) all present and future claims, demands and causes of action in respect of the foregoing; (x) all additional amounts due to Seller from such Mortgagor Customer relating to the related Receivables, (xi) if and when obtained by Seller, all real and personal property of third parties in which Seller has been granted a lien or security interest as security for the payment or enforcement of such Receivables, (xii) all supporting obligations that secure payment or performance of any account, chattel paper, document, general intangible, instrument or investment property, (xiii) all Extraordinary Receipts, (xiv) any and all indebtedness owing to Seller and any and all collateral securing such indebtedness; (xv) all of Seller’s ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by Seller or in which it has an interest), computer programs, tapes, disks and documents relating to clauses (i) through (xiv) hereof; and (xvi) all proceeds of the foregoing of every kind and nature whatsoever, including, without limitation, all proceeds of the conversion thereof, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, rights to payment of any and every kind and other forms of obligations and receivables, insurance proceeds (including hazard, flood and credit insurance), security agreements, documents, eminent domain proceeds, condemnation proceeds, tort claim proceeds, instruments and other property that at any time constitute all or part of or are included in the proceeds of the foregoing.

“ **Responsible Officer** ” means, with respect to any Person, any duly authorized officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other duly authorized officer of such Person to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“ **Securities** ” means all marketable securities and investment property owned by the Issuer, whether now existing or hereafter created, including any held by any intermediary in any “street” name, pursuant to any custody arrangement or otherwise.

“ **Transfer Tax** ” means any transfer, documentary, sales, bulk sales, use, registration, value added or other similar tax, including any applicable real estate transfer tax and any real property transfer gains tax.

“ **UCC** ” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

“ **Unmatured Termination Event** ” means any event which is, or after notice or lapse of time would become, a Termination Event.

ARTICLE II
PURCHASE AND SALE

2.1 Purchased Assets.

(a) On the terms and subject to the conditions set forth in this Agreement (including the conditions to Purchase set forth in ARTICLE IV), on each Purchase Date, Seller hereby sells, transfers, assigns, sets over and otherwise conveys to Buyer, and Buyer hereby purchases and takes from Seller, free and clear of all Encumbrances, all right, title and interest of Seller in the property identified below:

(i) the Mortgage Loans identified by Seller as of the applicable Purchase Date which are listed on Schedule I to the applicable Sale Assignment;

(ii) all Mortgage Loan Documents and other related Mortgage Loan Assets with respect to the Mortgage Loans referred to in clause (i) above; and

(iii) all Related Assets with respect to the Mortgage Loans referred to in clause (i) above.

(b) Seller shall, on or prior to each Purchase Date, deliver to Buyer a certificate of assignment (the “ Sale Assignment ”) in the form of Exhibit A hereto, executed by a Responsible Officer of Seller.

(c) Except as specifically provided in this Agreement, the sale and purchase of Mortgage Loans under this Agreement shall be without recourse to Seller; *it being understood* that Seller shall be liable to Buyer for all representations, warranties, covenants and indemnities made by Seller pursuant to the terms of this Agreement and to the extent provided herein.

(d) In connection with each Purchase of Mortgage Loans hereunder, Seller shall deliver to the Indenture Trustee the Mortgage Loan Files on or prior to the related Purchase Date (and if prior to the related Purchase Date, such Mortgage Loan Files shall be held by the Indenture Trustee in escrow until such Purchase shall occur on the related Purchase Date).

(e) In connection with the transfers contemplated by this Agreement, Seller hereby grants to Buyer an irrevocable, non-exclusive license to use, without royalty or payment of any kind, all software used by Seller to account for the Mortgage Loans, to the extent necessary to administer the Mortgage Loans, whether such software is owned by Seller or is owned by others and used by Seller under license agreements with respect thereto; *provided* that should the consent of any licensor of such software be required for the grant of the license described herein to be effective or for Seller to assign such licenses to Buyer or any such successor servicer, Seller hereby agrees that upon the request of Buyer or such successor Servicer, Seller will use its best efforts to obtain the consent of such third-party licensor. Seller (i) shall take such action requested by Buyer or the Indenture Trustee from time to time hereafter, that may be necessary or appropriate to ensure that Buyer and the Indenture Trustee have an enforceable security interest in the Mortgage Loans purchased by Buyer as contemplated by this Agreement, and (ii) shall use its best efforts to ensure that each of Buyer and the Indenture Trustee has an enforceable right (whether by license or sublicense or otherwise) to use all of the computer software used to account for the Mortgage Loans.

(f) In connection with the purchase by Buyer of the Mortgage Loans as contemplated by this Agreement, Seller further agrees that it will, at its own expense, indicate clearly and unambiguously in its computer files on or prior to each Purchase Date, and, to the extent required under generally accepted accounting principles as applied in the United States (“GAAP”) in the footnotes to its financial statements, that such Mortgage Loans has been purchased by Buyer in accordance with this Agreement.

(g) Seller further agrees to deliver to Buyer on or before each Purchase Date a true, complete and correct list of all Mortgage Loans to be sold or otherwise conveyed hereunder on such Purchase Date, identified by Mortgagor Customer name, account number and outstanding loan balance as of the related Purchase Date. Such list shall constitute a supplement to Schedule I to this Agreement and shall be automatically incorporated into and made a part of this Agreement as such.

(h) It is the intention of the parties hereto that the conveyance of all right, title and interest of Seller in and to any Mortgage Loan to Buyer as provided in this Section 2.1 shall constitute an absolute transfer conveying good title, free and clear of any Encumbrance and that the Mortgage Loan shall not be part of the bankruptcy estate of Seller in the event of a bankruptcy event with respect to Seller. Furthermore, it is not intended that such conveyance be deemed a pledge of the Mortgage Loans, the related Mortgage Loan Assets and the Related Assets to Buyer to secure a debt or other obligation of Seller. If, however, notwithstanding the intention of the parties, the conveyance provided for in this Section 2.1 is determined to be a transfer for security, then this Agreement shall also be deemed to be, and hereby is, a “security agreement” within the meaning of Article 9 of the UCC and Seller hereby grants to Buyer a “security interest” within the meaning of Article 9 of the UCC in all of its right, title and interest in, to and under the Mortgage Loans, the related Mortgage Loan Assets and the Related Assets, now existing and hereafter created, to secure the prompt and complete payment of a loan deemed to have been made in an amount equal to the aggregate Purchase Price of the Mortgage Loans together with all of the other obligations of Seller hereunder. Buyer shall have, in addition to the rights and remedies which it may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative.

2.2 Liabilities. Neither Buyer nor the Indenture Trustee shall assume or be obligated to pay, perform or otherwise discharge any Liability of Seller arising prior to the Purchase Date with respect to a Mortgage Loan, or have any other obligation or liability to any Mortgagor Customer (including any obligation to perform any of the obligations of Seller (including any obligation with respect to any other related agreements) arising prior to such Purchase Date). No such obligation or liability is intended to be assumed by Buyer or the Indenture Trustee, and any such assumption is expressly disclaimed.

2.3 Title. Seller hereby covenants and agrees that it will warrant and defend title to the Mortgage Loans and the Mortgage Loan Mortgage Loans.

ARTICLE III
PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Mortgage Loans, Mortgage Loan Assets and the Related Assets sold to Buyer by Seller under this Agreement shall be a dollar amount equal to the outstanding loan balance thereof, to be determined as of the related Purchase Date (the “Purchase Price”), in each case to be paid in accordance with Section 3.2 .

3.2 Payment of Purchase Price.

(a) The Purchase Price for any Mortgage Loan sold by Seller to Buyer on any Purchase Date shall be paid in immediately available funds.

(b) Seller, in connection with each delivery of a Sale Assignment hereunder relating to any Mortgage Loan on any Purchase Date, shall be deemed to have certified, with respect to such Mortgage Loan, that its representations and warranties contained in ARTICLE V are true and correct on and as of such day, with the same effect as though made on and as of such day and that no Termination Event or Unmatured Termination Event has occurred.

(c) Upon the payment of the Purchase Price for any Purchase, title to the Mortgage Loans included in such Purchase shall rest in Buyer, whether or not the conditions precedent to such Purchase and the other covenants and agreements contained herein were in fact satisfied; *provided* that Buyer shall not be deemed to have waived any claim it may have under this Agreement for the failure by Seller in fact to satisfy any such condition precedent, covenant or agreement.

3.3 Tax Treatment. Any federal, state and local income taxes or any Transfer Tax payable with respect to the sale of the Mortgage Loans pursuant to this Agreement shall be payable by Seller.

ARTICLE IV
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Closing and Initial Purchase. The closing and initial Purchase hereunder are subject to the conditions precedent that (i) each of the conditions precedent to the execution, delivery and effectiveness of each other Transaction Document (other than a condition precedent in any such other Transaction Document relating to the effectiveness of this Agreement) shall have been fulfilled and (ii) on or prior to the Closing Date, Seller shall have delivered to Buyer each of the items specified on Appendix A hereto in form and substance satisfactory to Buyer.

4.2 Conditions Precedent to all Purchases.

The obligations of Buyer to Purchase the Mortgage Loans as contemplated by this Agreement on any Purchase Date (including the initial Purchase Date) shall be subject to the satisfaction of the following conditions precedent:

(a) all representations and warranties of Seller contained in ARTICLE V shall be true and correct in all material respects on and as of such date as though made on and as of such date and shall be deemed to have been made on and as of such day (other than any representation and warranty that is made as of a specific date);

(b) Seller shall have delivered to Buyer a duly executed and completed Sale Assignment along with a Schedule I that is true, accurate and complete in all material respects as of the related Purchase Date;

(c) Seller shall have performed in all material respects all of the covenants and agreements required to be performed by it on or prior to such date pursuant to the provisions of this Agreement;

(d) no Termination Event or Unmatured Termination Event shall have occurred or would result from such Purchase; and

(e) no applicable law shall prohibit or enjoin, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of any such Purchase by Buyer in accordance with the provisions hereof.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

As of each Purchase Date, Seller represents and warrants to Buyer for the benefit of Buyer and each of its successors and assigns as follows:

5.1 Organization of Seller Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

5.2 Authority of Seller.

(a) Seller has full power and authority to execute, deliver and perform its obligations this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly authorized and approved by and does not require any further authorization or consent. This Agreement has been duly authorized, executed and delivered by Seller and is the legal, valid and binding obligation of Seller enforceable in accordance with its terms.

(b) The execution and delivery by Seller of this Agreement will not:

(i) conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under Seller's organizational documents or any contractual obligations of Seller or result in the creation or imposition of any Encumbrance upon any of the Mortgage Loans

(ii) violate in any material respect any law applicable to Seller or the Mortgage Loans; or

(iii) require the approval, consent, authorization or act of, or the making of any filing with, any Person, other than those which have been obtained.

5.3 Litigation.

(a) Neither Seller nor any Mortgage Loan is subject to any Court Order; and

(b) there are no lawsuits, claims, suits, complaints, proceedings or investigations pending or, to the Knowledge of Seller, threatened against or affecting Seller (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or (iii) in respect of the Mortgage Loans or the Mortgage Loan Documents.

5.4 Consents. All approvals, authorizations, consents, orders, licenses or other actions of any Person or of any Governmental Body (if any) required for the due execution, delivery and performance by Seller of this Agreement have been obtained.

5.5 Solvency. Seller is not the subject of any state or federal bankruptcy or insolvency proceeding. The transactions under this Agreement do not and will not render Seller insolvent.

5.6 Selection Procedures. No procedures adverse to the interests of Buyer were utilized by Seller in identifying and/or selecting the Mortgage Loans sold to Buyer.

5.7 Taxes. Seller has filed or caused to be filed all tax returns that are required to be filed by it. Seller has paid or made adequate provisions for the payment of all Taxes and all assessments made against it or any of its properties (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of Seller), and no tax lien has been filed against Seller or any of its properties and, to Seller's knowledge, no claim is being asserted by an applicable Governmental Body, with respect to any such Tax, assessment or other charge.

5.8 Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein (including, without limitation, the use of the proceeds from the sale of the Mortgage Loans) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. Seller does not own or intend to carry or purchase, and no proceeds from the sale of the Mortgage Loans will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purpose credit" within the meaning of Regulation U.

5.9 Security Interest.

(a) This Agreement constitutes a valid transfer to Buyer of all right, title and interest of Seller in, to and under all of the Mortgage Loans, the related Mortgage Loan Assets and the Related Assets, free and clear of any Encumbrance of any Person claiming through or under Seller or its Affiliates. If the conveyances contemplated by this Agreement are determined to be a transfer for security, then this Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Mortgage Loans and related assets sold to Buyer in favor of Buyer and the Indenture Trustee as assignee, on behalf of the Noteholders (as defined in the Indenture), which security interest is prior to all other Encumbrances, and is enforceable as such against creditors of and purchasers from Seller. Upon the filing of a financing statement naming Seller as debtor, Buyer as secured party and Indenture Trustee as assignee, and delivery by Seller to Indenture Trustee of the Mortgage Notes, the Mortgages and the other Mortgage Documents, such security interest shall be a valid and first priority perfected security interest in all of the Mortgage Loans and related assets.

(b) Seller owns and has good and marketable title to the Mortgage Loans sold or otherwise conveyed by it to Buyer hereunder on such Purchase Date, free and clear of any Encumbrance of any Person.

(c) Seller has received all consents, licenses, approvals or authorizations of or registrations or declarations of any Governmental Body or any Person required to be obtained, effected or given by Seller or required by the terms of any Mortgage Loan in connection with the transfer of an ownership interest or security interest in each Mortgage Loan to Buyer (and by Buyer to the Indenture Trustee).

(d) All appropriate financing statements have been filed in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in that portion of the Mortgage Loans and related assets in which a security interest may be perfected by filing granted hereunder to Buyer and the Indenture Trustee as assignee, on behalf of the Noteholders.

(e) Other than the security interest granted to Buyer and the Indenture Trustee as assignee, on behalf of the Noteholders, Seller has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Mortgage Loans. Seller has not authorized the filing of and is not aware of any financing statements against Seller that include a collateral description covering the Mortgage Loans other than any financing statement (A) relating to the security interest granted to Buyer under this Agreement and to the Indenture Trustee for the benefit of the Noteholders under the Indenture, or (B) that has been terminated and/or fully and validly assigned to Buyer on or prior to the date hereof or the applicable Purchase Date. Seller is not aware of the filing of any judgment or tax lien filings against Seller;

(f) All original executed copies of each underlying Mortgage Note and related Mortgage that constitute or evidence each Mortgage Loan have been delivered to the Indenture Trustee; and

(g) None of the Mortgage Notes that constitute or evidence the Mortgage Loans has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Indenture Trustee as assignee, on behalf of the Noteholders.

5.10 **Reports Accurate.** All information, exhibits, schedules, financial statements, documents, books, records or reports furnished or to be furnished by Seller to Buyer in connection with this Agreement are or, at the time of delivery, will be, true, and correct and complete in all material respects.

5.11 **Location of Offices**. Seller's location (within the meaning of Article 9 of the UCC) is New York.

5.12 **Value Given**. Buyer has given reasonably equivalent value in consideration for the transfer to Buyer of the Mortgage Loans as contemplated by this Agreement, no such transfer has been made for or on account of an antecedent debt owed by Seller to Buyer, and no such transfer is or may be voidable or subject to avoidance as to Seller under any section of federal or state bankruptcy, insolvency or similar law.

5.13 **Investment Company Act**. Seller is not, and is not controlled by, an "investment company" within the meaning of, or is exempt from the provisions of, the Investment Company Act of 1940, as amended.

5.14 **Compliance with Law**. Seller has complied in all material respects with all laws to which it may be subject, and no Mortgage Loan contravenes in any material respect any applicable law (including, without limitation, all applicable laws relating to predatory and abusive lending and all laws, rules and regulations relating to licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices, and privacy).

5.15 **Covenants**. All covenants, agreements and undertakings of Seller hereunder have been fully performed.

5.16 **Set-Off, etc.** No Mortgage Loan has been compromised, adjusted, extended, satisfied, subordinated, rescinded, set-off or modified by Seller or the related Mortgagor Customer, and no Mortgage Loan is subject to compromise, adjustment, extension, satisfaction, subordination, rescission, set-off, counterclaim, defense, abatement, suspension, deferment, deduction, reduction, termination or modification, whether arising out of transactions concerning such Mortgage Loan or otherwise, by Seller or such Mortgagor Customer, except for amendments, extensions or modifications to such Mortgage Loan otherwise permitted under the Transaction Documents (as defined in the Indenture).

5.17 **Full Payment**. As of the related Purchase Date thereof, Seller has no knowledge of any fact which should lead it to expect that any Mortgage Loan will not be paid in full.

5.18 **Representations and Warranties for Benefit of Buyer's Assignees**. Each of the representations and warranties of Seller contained in this Agreement and the other Transaction Documents to which it is a party and that have been executed and delivered on or prior to such Purchase Date is true and correct in all material respects on the date it was made, and Seller hereby makes each such representation and warranty to, and for the benefit of the Indenture Trustee and the Noteholders as if the same were set forth in full herein.

5.19 **Eligibility of Mortgage Loans**. As of each Purchase Date, (i) Schedule I is an accurate and complete listing of all the Mortgage Loans as of such Purchase Date and the information contained therein with respect to the identity of such Mortgage Loans and the amounts owing thereunder is true, correct and complete as of such Purchase Date, (ii) each Loan is an Eligible Mortgage Loan (as such term is defined in the Indenture) and (iii) each such Mortgage Loan is in compliance with all applicable laws.

5.20 **No Fraud**. Each Loan was originated without any fraud or material misrepresentation by Seller or, to the best of Seller's knowledge, on the part of the related Mortgagor Customer.

It is understood and agreed that the representations and warranties provided in this ARTICLE V shall survive (x) the sale and assignment of the Mortgage Loans, the related Mortgage Loan Assets and the Related Assets to Buyer, (y) any subsequent transfer of a security interest therein by Buyer to the Indenture Trustee pursuant to the Indenture) and (z) the termination of this Agreement. Upon discovery by Seller or Buyer of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice thereof to the other and to the Indenture Trustee immediately upon obtaining knowledge of such breach.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Seller to enter into this Agreement and to consummate the Transactions contemplated hereby, Buyer hereby represents and warrants to Seller and agrees as follows:

6.1 **Organization of Buyer**. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

6.2 **Authority of Buyer**.

(a) Buyer has full power and authority to execute, deliver and perform its obligations this Agreement. The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by Buyer and do not require any further authorization or consent. This Agreement has been duly authorized, executed and delivered by Buyer and is the legal, valid and binding agreement of Buyer enforceable in accordance with its terms.

(b) The execution and delivery by Buyer of this Agreement will not require the approval, consent, authorization or act of, or the making of any filing with, any Person.

ARTICLE VII
AFFIRMATIVE COVENANTS

From the date hereof until the termination of this Agreement:

7.1 **Preservation of Organizational Existence**. Seller will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its formation.

7.2 **Keeping of Records and Books of Account.** Seller will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Mortgage Loans conveyed by it in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all or any portion of the Mortgage Loans.

7.3 **Protection of Interest in Mortgage Loans.** All Mortgage Loans, Mortgage Loan Assets and Related Assets acquired by Buyer from Seller will be acquired pursuant to and in accordance with the terms of this Agreement and Seller will (i) (at its own expense) take all action necessary to perfect, protect and more fully evidence Buyer's or its assignee's ownership or security interest in such Mortgage Loans, Mortgage Loan Assets and Related Assets free and clear of any Encumbrance other than the Encumbrance created hereunder and under the Indenture, including, without limitation, (a) maintain (at Seller's expense), effective financing statements against Seller in all necessary or appropriate filing offices (including any amendments thereto or assignments thereof), and filing continuation statements, amendments or assignments with respect thereto in such filing offices (including any amendments thereto or assignments thereof), and (b) executing or causing to be executed and delivered to Buyer such other instruments or notices as may be necessary or appropriate or that Buyer or Indenture Trustee may reasonably request to more effectively convey and transfer to, and vest in, Buyer and put Buyer in possession of, any part of the Mortgage Loans, the Mortgage Loan Assets and the Related Assets, or as may be otherwise necessary to make effective the transactions effectuated by this Agreement, (iii) permit Buyer or the Indenture Trustee or their respective agents or representatives to visit the offices of Seller during normal office hours and upon reasonable notice examine and make copies of all documents, books, records and other information concerning the Mortgage Loans, Mortgage Loan Assets and Related Assets and discuss matters related thereto with any of the officers or employees of Seller having knowledge of such matters (*provided, however* , that no more than two such visits in any calendar quarter and no more than four such visits per calendar year (together with any such visits/audits conducted pursuant to the Indenture) by the Indenture Trustee shall be permitted prior to the occurrence of a Termination Event and *provided further* that Seller shall pay the costs and expenses for all such visits), and (iv) take all additional action that Buyer or the Indenture Trustee may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Mortgage Loans, Mortgage Loan Assets and Related Assets.

7.4 **Deposit of Collections.** In the event any payments relating to any Mortgage Loans are remitted directly to Seller or any Affiliate of Seller, Seller will remit (or will cause all such payments to be remitted) directly to the Collection Account within two Business Days following receipt thereof, and, at all times prior to such remittance, Seller will itself hold or, if applicable, will cause such payments to be held in trust for the exclusive benefit of Buyer and the Indenture Trustee. Until so deposited, all such Collections shall be held in trust for Buyer or its assignees by Seller.

7.5 **Termination Events.** Seller will provide Buyer and the Indenture Trustee with immediate written notice of the occurrence of each Termination Event and each Unmatured Termination Event of which Seller has Knowledge or has received notice. In addition, no later than three Business Days following Seller's Knowledge or notice of the occurrence of any Termination Event or Unmatured Termination Event, Seller will provide to Buyer and the Indenture Trustee a written statement of a Responsible Officer of Seller setting forth the details of such event and the action that Seller proposes to take with respect thereto.

7.6 Taxes. Seller will file all appropriate tax returns and pay any and all required Taxes (other than the amount of any Taxes the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserve in accordance with GAAP have been provided on the books of Seller).

7.7 Notices.

(a) Representations and Warranties. Forthwith upon receiving knowledge of same, Seller shall notify Buyer and the Indenture Trustee if any representation or warranty set forth in ARTICLE V was incorrect at the time it was given or deemed to have been given and at the same time deliver to Buyer and the Indenture Trustee a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, Seller shall notify Buyer and the Indenture Trustee in the manner set forth in the preceding sentence before any Purchase Date of any facts or circumstances within the knowledge of Seller which would render any of the said representations and warranties untrue at the date when such representations and warranties were made or deemed to have been made.

(b) Other. Seller will furnish to Buyer and the Indenture Trustee promptly, from time to time, at Seller's expense, such other information, documents, records or reports respecting the Mortgage Loans as Buyer or the Indenture Trustee may from time to time reasonably request in order to protect the interests of Buyer, and the Indenture Trustee and the Noteholders under or as contemplated by this Agreement and the Indenture.

ARTICLE VIII
NEGATIVE COVENANTS OF SELLER.

From the date hereof until the Collection Date:

8.1 Security Interests. Except as otherwise permitted herein and following the reacquisition of any Mortgage Loan by Seller pursuant to ARTICLE IX, Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Encumbrance on any Mortgage Loans conveyed by it, whether now existing or hereafter transferred hereunder, or any interest therein, and Seller will not sell, pledge, assign or suffer to exist any Encumbrance on its interest in such Mortgage Loans. Seller will promptly notify Buyer and the Indenture Trustee of the existence of any Encumbrance on any Mortgage Loans conveyed by it and Seller shall defend the right, title and interest of Buyer and the Indenture Trustee in, to and under the Mortgage Loans against all claims of third parties.

8.2 Change of Name or Location of Servicing Files. Seller shall not change its name, move the location of its principal place of business and chief executive office, change its jurisdiction of organization or change the offices where it keeps the records from the location referred to in Section 14.1 unless Seller has given at least thirty (30) days' written notice to Buyer and the Indenture Trustee and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of Buyer and the Indenture Trustee in the Mortgage Loans.

8.3 Accounting of Purchases. Other than for tax and consolidated accounting purposes, Seller will not account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than as a sale of the Mortgage Loans to Buyer.

8.4 Changes in Payment Instructions to Mortgagor Customers. Seller will instruct Mortgagor Customers to make payments to the Collection Account and will not change such instructions to Mortgagor Customers regarding such payments, unless Buyer and the Indenture Trustee have consented in writing to such change.

8.5 Extension or Amendment of Mortgage Loans. Seller will not, except as otherwise permitted in the Indenture, extend, amend or otherwise modify the terms of any Mortgage Loans.

ARTICLE IX
REPURCHASE OBLIGATION

9.1 Retransfer of Mortgage Loans.

If on any day Buyer is obligated to remove replace a Mortgage Loan pursuant to Section 2.04, Section 11.01 or Section 11.02 of the Indenture, Seller shall either:

- (a) make a deposit to the Collection Account in immediately available funds in an amount equal to the Release Price with respect to such Mortgage Loan; or
- (b) subject to the satisfaction of the conditions in Section 9.2, substitute for such Mortgage Loan a Qualified Substitute Mortgage Loan (as defined in the Indenture).

In either of the foregoing instances, Seller may (in its discretion) accept retransfer of each such Mortgage Loan.

9.2 Substitution of Loans.

On any day prior to the occurrence of a Termination Event, Seller may, subject to the conditions set forth in this Section 9.2 and subject to the other restrictions contained herein, replace any Mortgage Loan previously acquired by Buyer hereunder with one or more Eligible Mortgage Loans (each a “Substitute Mortgage Loan”); *provided* that, no such replacement shall occur unless each of the following conditions is satisfied as of the date of such replacement and substitution or have otherwise been waived in writing by the Indenture Trustee:

- (a) each Substitute Mortgage Loan is an Eligible Mortgage Loan on the date of substitution;

- (b) the sum of the outstanding loan balances of such Substitute Mortgage Loans shall be equal to or greater than the sum of the outstanding loan balances of the Mortgage Loan to be replaced (each a “Replaced Loan”);
- (c) all representations and warranties of Seller contained in ARTICLE V shall be true and correct as of the date of substitution of any such Substitute Mortgage Loan;
- (d) the substitution of any Substitute Mortgage Loan does not cause a Termination Event or Unmatured Termination Event to occur;
- (e) no selection procedure adverse to the interests of Buyer or the Noteholders was utilized knowingly by Seller in the selection of the Mortgage Loan to be replaced or the Substitute Mortgage Loan; and
- (f) Seller shall deliver to Buyer on the date of such substitution a certificate of a Responsible Officer certifying that each of the foregoing is true and correct as of such date.

In addition, Seller shall in connection with such substitution deliver or cause to be delivered to the Indenture Trustee the Mortgage Loan Documents related to such Substitute Mortgage Loan.

9.3 Retransfer of Mortgage Loans. Upon confirmation of the deposit of the outstanding principal balance and accrued interest of such Mortgage Loan into the Collection Account or the delivery by Seller of a Substitute Mortgage Loan (the date of such confirmation or delivery, the “Retransfer Date”) for each Mortgage Loan or Replaced Loan, pursuant to Section 9.1 or Section 9.2, as the case may be, Buyer shall, automatically and without further action be deemed to transfer, assign and set-over to Seller, without recourse, representation or warranty (other than a representation and warranty as to the outstanding principal balance and accrued interest of such Mortgage Loan or Replaced Loan as of the Retransfer Date), all the right, title and interest of Buyer in, to and under such Mortgage Loan or Replaced Loan and all future monies due or to become due with respect thereto, the related Mortgage Loan Documents and all proceeds thereof, all rights to security therefor and products of the foregoing. Buyer shall, at the sole expense of Seller, execute such documents and instruments of transfer as may be prepared by Seller and take other such actions as shall reasonably be requested by Seller to effect the transfer of such Loan pursuant to this Section 9.3.

ARTICLE X
ADDITIONAL RIGHTS AND OBLIGATIONS IN RESPECT OF THE MORTGAGE LOANS

10.1 Rights of Buyer.

(a) Seller hereby authorizes Buyer and the Indenture Trustee and/or their respective designees or assignees to take any and all steps in Seller’s name and on behalf of Seller that Buyer and/or the Indenture Trustee and/or their respective designees or assignees determine are necessary or appropriate to collect all amounts due under any and all Mortgage Loans and to enforce or protect Buyer’s and the Indenture Trustee’s rights under this Agreement, including indorsing the name of Seller on checks and other instruments representing collections and proceeds thereof and enforcing such Mortgage Loans.

(b) Except as set forth in Section 9.1 and Section 9.2 with respect the retransfer or substitution of certain Mortgage Loans, Buyer shall have no obligation to account for, replace, substitute or return any Mortgage Loans to Seller. Buyer shall have no obligation to account for or to return collections, or any interest or other finance charge collected pursuant thereto, to Seller, irrespective of whether such collections and charges are in excess of the Purchase Price for such Mortgage Loans.

(c) Buyer shall have the unrestricted right to further assign, transfer, deliver, hypothecate, subdivide or otherwise deal with the Mortgage Loans and all of Buyer's right, title and interest in, to and under this Agreement, on whatever terms Buyer shall determine, pursuant to the Indenture or otherwise.

(d) Buyer shall have the sole right to retain any gains or profits created by buying, selling or holding the Mortgage Loans and shall have the sole risk of and responsibility for losses or damages created by such buying, selling or holding.

10.2 **Notice to Indenture Trustee.** Seller agrees that, concurrently with its delivery to Buyer, copies of all notices, reports, documents and other information required to be delivered by Seller to Buyer hereunder shall be delivered by Seller to the Indenture Trustee.

ARTICLE XI **TERMINATION EVENTS**

11.1 **Termination Events.**

If any of the following events (each a "Termination Event") shall have occurred:

(i) Seller shall fail to pay any amount due pursuant to Section 9.1 in accordance with the provisions thereof or to pay any other amount required to be paid by Seller and such failure shall continue unremedied for a period of five (5) Business Days; or

(ii) Seller shall fail to observe or perform any covenant or agreement applicable to it contained herein (other than as specified in paragraph (i) of this Section 11.1); *provided* that, no such failure shall constitute a Termination Event under this paragraph (ii) unless such failure shall continue unremedied for a period of 30 consecutive days; or

(iii) any representation, warranty, certification or statement made or deemed made by Seller in this Agreement or in any statement, record, certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made, *provided* that a Termination Event shall not be deemed to have occurred under this paragraph (iii) based upon a breach of any representation or warranty set forth in Section 5.19 if Seller shall have complied with the provisions of Section 9.1 in respect thereof; or

(iv) (A) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of Seller in an involuntary case under federal or state bankruptcy, insolvency or similar law, which decree or order is not stayed or any other similar relief shall be granted under any applicable federal or state law now or hereafter in effect and shall not be stayed; (B) (I) any involuntary case is commenced against Seller under any federal or state bankruptcy, insolvency or similar law now or hereafter in effect, a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Seller, or over all or a substantial part of the property of Seller, shall have been entered, an interim receiver, trustee or other custodian of Seller for all or a substantial part of the property of Seller is involuntarily appointed, a warrant of attachment, execution or similar process is issued against any substantial part of the property of Seller, and (II) any event referred to in clause (B)(I) above continues for 60 days unless dismissed, bonded or disclosed; (C) Seller shall at its request have a decree or an order for relief entered with respect to it or commence a voluntary case under any federal or state bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of a decree or an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such Insolvency Law, consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; (D) the making by Seller of any general assignment for the benefit of creditors; (E) the inability or failure of Seller generally to pay its debts as such debts become due; or (F) the board of directors of Seller authorizes action to approve any of the foregoing; or

(v) there shall have occurred an Event of Default set forth in Section 4.01 of the Indenture; or

(vi) a notice of Encumbrance shall have been filed by the Pension Benefit Guaranty Corporation against Seller under Section 412(n) of the Code or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which Section 412(n) of the Code or Section 302(f) of ERISA applies unless there shall have been delivered to the Indenture Trustee proof of release of such Encumbrance; or

(vii) any Encumbrance in an amount equal to or greater than \$500,000 has been asserted against or imposed on, any real or personal property of Seller pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9607(1), or any equivalent or comparable state law, relating to or arising from the costs of, response to, or investigation, remediation or monitoring of, any environmental contamination resulting from the current or past operations of Seller; or

(viii) a Federal tax notice of Encumbrance, in an amount equal to or greater than \$500,000, shall have been filed against Seller unless there shall have been delivered to the Indenture Trustee proof of release of such Encumbrance

then, (A) in the case of any Termination Event described in paragraph (iv), (v), (vi), (vii) or (viii) above the obligation of Buyer to purchase Mortgage Loans from Seller shall thereupon automatically terminate without further notice of any kind, which is hereby waived by Seller, and (B) in the case of any other Termination Event, so long as such Termination Event shall be continuing, Buyer or the Indenture Trustee may terminate Buyer's obligation to purchase Mortgage Loans from Seller by written notice to Seller (any termination pursuant to this Section 11.1 is herein called an "Early Termination"); *provided* that in the event of any involuntary petition or proceeding as described in paragraph (iv) above, Buyer shall not purchase Mortgage Loans from Seller unless such involuntary petition or proceeding is dismissed, bonded or discharged within 60 days of the filing of such petition or the commencement of such proceeding.

ARTICLE XII
INDEMNIFICATION

12.1 Indemnification by Seller.

(a) Without limiting any other rights that Buyer, any assignee of Buyer, including but not limited to the Noteholders and the Indenture Trustee, or any of such Persons' respective shareholders, officers, employees, agents, or Affiliates (each an "Indemnified Party") may have hereunder or under applicable law, Seller hereby agrees to indemnify each Indemnified Party from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts"), awarded against or incurred by such Indemnified Party or non-monetary damages of any such Indemnified Party or any of them arising out of or as a result of this Agreement excluding, however, Indemnified Amounts to the extent resulting from the gross negligence or willful misconduct on the part of the applicable Indemnified Party. Without limiting the foregoing, Seller shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any representation or warranty made or deemed made by Seller, or any of its officers, under or in connection with this Agreement, which shall have been false, incorrect or misleading when made or deemed made or delivered;

(ii) the failure by Seller to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any applicable law, including with respect to any Mortgage Loans or the nonconformity of any Mortgage Loans with any such applicable law;

(iii) the failure to vest and maintain vested in Buyer, an undivided ownership interest in the Mortgage Loans and all related assets free and clear of any Encumbrance whether existing at the time of any Purchase or at any time thereafter (including, without limitation, as a result of the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable law, whether at the time of any Purchase or at any subsequent time);

(iv) any dispute, claim, offset or defense (other than the discharge in bankruptcy of any Mortgagor Customer) of any Mortgagor Customer to the payment with respect to any Mortgage Loans (including, without limitation, a defense based on the Mortgage Loans not being a legal, valid and binding obligations of the related Mortgagor Customer enforceable against it in accordance with its terms), or any other claim related to such Mortgage Loans;

(v) any failure of Seller to have performed its duties under any Mortgage;

(vi) any inability to obtain any judgment in, or utilize the court or other adjudication system of, any state in which a Mortgagor Customer may be located as a result of the failure of Seller to qualify to do business or file any notice or business activity report or any similar report;

(vii) any claim, suit or action of any kind arising out of or in connection with Environmental Laws, including any vicarious liability;

(viii) the failure by Seller to pay when due any taxes for which Seller is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Mortgage Loans;

(ix) the commingling of collections on the Mortgage Loans at any time with other funds of Seller;

(x) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Purchases by Seller or the security interest in the Mortgage Loans;

(xi) any failure by Buyer to give at least reasonably equivalent value to Seller in consideration for the transfer to Buyer of any of the Mortgage Loans or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of any federal or state bankruptcy, insolvency or similar law; or

(xii) the failure of Seller or any of its agents or representatives to remit to Buyer collections on the Mortgage Loans remitted to Seller or any such agent or representative as provided in this Agreement.

(b) Any amounts subject to the indemnification provisions of this Section 12.1 shall be paid by Seller to the Indemnified Party within five Business Days following such Person's demand therefor.

(c) If for any reason the indemnification provided above in this Section 12.1 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless, then Seller shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and Seller, on the other hand, but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

(d) Indemnification under Section 12.1 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

12.2 Assignment of Indemnities. Seller acknowledges that, pursuant to the Indenture, Buyer will assign its rights of indemnity granted hereunder to the Indenture Trustee. Upon such assignment, (i) the Noteholders and the Indenture Trustee shall have all rights of Buyer hereunder and may in turn assign such rights as permitted by the Indenture, and (ii) the obligations of Seller under this ARTICLE XII shall inure to the Noteholders or the Indenture Trustee. Seller agrees that, upon such assignment, the Noteholders and the Indenture Trustee or the assignee of any such Person, as applicable, may enforce directly, without joinder of Buyer, the indemnities set forth in this ARTICLE XII.

ARTICLE XIII
SURVIVAL

13.1 Survival of Obligations. Notwithstanding any provision contained herein to the contrary, Seller's representations, covenants and obligations set forth in Articles IV, V, VI, and VII create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Notes and all other obligations of Buyer under the Indenture have been paid in full; *provided* that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by Seller pursuant to ARTICLE V, the indemnification provisions of ARTICLE XII and the provisions of Sections 14.6, 14.7 and 14.8 shall be continuing and shall survive any termination of this Agreement.

ARTICLE XIV
GENERAL PROVISIONS

14.1 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given or delivered when delivered personally or when sent by facsimile or one (1) Business Day after having been dispatched by a nationally recognized overnight courier service addressed as follows:

If to Buyer, to: MBC FUNDING II CORP.
60 Cutter Mill Road
Great Neck, New York
Attn: Assaf Ran

If to Seller, to: MANHATTAN BRIDGE CAPITAL, INC.
60 Cutter Mill Road
Great Neck, New York
Attn: Assaf Ran

or to such other address as such party may indicate by a notice delivered to the other party hereto.

14.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Indenture Trustee and the Noteholders shall be third-party beneficiaries of this Agreement. Notwithstanding anything to the contrary contained herein, this Agreement may not be assigned by Buyer or Seller except as permitted by this Section 14.2 or by the Indenture. Simultaneously with the execution and delivery of this Agreement, Buyer will, pursuant to the Indenture, assign all of its right, title and interest in this Agreement to the Indenture Trustee as agent for the Noteholders, to which assignment Seller hereby expressly consents. Upon assignment, Seller agrees to perform its obligations hereunder for the benefit of the Indenture Trustee as agent for the Noteholders and the Indenture Trustee, in such capacity, shall be a third party beneficiary hereof. The Indenture Trustee as agent for the Noteholders upon such assignment may enforce the provisions of this Agreement, exercise the rights of Buyer and enforce the obligations of Seller hereunder without joinder of Buyer. Notwithstanding the foregoing, Buyer shall continue to remain liable for the performance of its duties and obligations hereunder.

14.3 **Amendments and Waivers**. Except as provided in this Section 14.3, no amendment, waiver or other modification of any provision of this Agreement shall be effective unless signed by Buyer and Seller and consented to in writing by the Indenture Trustee. Buyer shall provide not less than ten Business Days' prior written notice of any such amendment to the Indenture Trustee.

14.4 **Entire Agreement**. This Agreement contains the entire understanding of the parties hereto with regard to the subject matter contained herein and supersedes all prior agreements, statements or understandings (oral or written).

14.5 **Execution in Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the parties hereto and delivered to each of Seller and Buyer. Delivery of an executed counterpart of a signature page to this Agreement shall be as effective as delivery of a manually executed counterpart of this Agreement.

14.6 **GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE**. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.**

14.7 **WAIVER OF JURY TRIAL**. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

14.8 **Costs, Expenses and Taxes.** In addition to the rights of indemnification granted to the Indemnified Parties under ARTICLE XII, Seller agrees to pay on demand all costs and expenses of Buyer or its assignees incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), renewal, amendment or modification of, or any waiver or consent issued in connection with, this Agreement and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel with respect thereto and with respect to advising Buyer or its assignees as to its rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by Buyer or its assignees in connection with the enforcement of this Agreement and the other documents to be delivered hereunder or in connection herewith.

14.9 **Waiver of Setoff.**

(a) Seller's obligations under this Agreement shall not be affected by any right of setoff, counterclaim, recoupment, defense or other right Seller might have against Buyer, the Indenture Trustee, the Noteholders or any assignee of such Persons, all of which rights are hereby waived by Seller.

(b) Buyer shall have the right to set-off against Seller any amounts to which Seller may be entitled hereunder and to apply such amounts to any claims Buyer may have against Seller from time to time under this Agreement. Upon any such set-off, Buyer shall give notice of the amount thereof and the reasons therefor to Seller.

14.10 **Heading and Exhibits.** The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

14.11 **No Waiver; Cumulative Remedies.** No failure to exercise and no delay in exercising, on the part of Buyer or the Seller, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

14.12 **Indenture Agreement.** To the extent the terms of this Agreement are inconsistent or conflict with the terms of the Indenture, the terms of the Indenture Agreement shall supersede the terms hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

MANHATTAN BRIDGE CAPITAL, INC.

By: /s/ Assaf Ran

Assaf Ran
Chief Executive Officer

MBC FUNDING II CORP.

By: /s/ Assaf Ran

Assaf Ran
Chief Executive Officer

Signature Page to Asset Purchase Agreement

CONDITION PRECEDENT DOCUMENTS

- (i) Copies of resolutions of the board of directors of Seller approving the execution, delivery and performance of the Agreement and the transactions contemplated thereby, certified by the Secretary or an Assistant Secretary of Seller.
- (ii) A copy of an officially certified document dated reasonably close to the date of the initial Purchase evidencing the due organization and good standing of Seller in the applicable jurisdiction.
- (iii) Copies of the organizational documents of Seller certified by the Secretary or an Assistant Secretary of Seller.
- (iv) UCC-1 financing statements naming Seller as debtor, Buyer as secured party and the Indenture Trustee as assignee, describing the Mortgage Loans and related assets and meeting the requirements of the laws of each jurisdiction in which it is necessary to perfect the conveyance thereof to Buyer.
- (v) Opinion of counsel to Seller, dated the date of the initial Purchase, in form and substance satisfactory to Buyer.
- (vi) Executed counterparts of this Agreement executed by Seller.
- (vii) A duly completed, executed and delivered initial list of Mortgage Loans and related Mortgage Loan Files.
- (viii) UCC, tax and judgment lien searches of Seller.
- (ix) If applicable, UCC terminations or amendments.

FORM OF SALE ASSIGNMENT

SALE ASSIGNMENT NO. _____, dated as of _____, from Manhattan Bridge Capital, Inc. (“Seller”) to MBC Funding II Corp. (“Buyer”).

1. We refer to the Asset Purchase Agreement, dated as of April 25, 2016, as amended, supplemented or otherwise modified from time to time (the “Agreement”), by and between Seller and Buyer.

2. All capitalized terms used herein shall have the meanings ascribed to them in the Agreement unless otherwise defined herein. “Purchase Date” shall mean, with respect to the Mortgage Loans designated hereby, _____.

3. Attached hereto as Schedule I is a true and complete list of the Mortgage Loans sold and assigned hereunder, identified by account number, Mortgagor Customer name, address of the related Mortgaged Properties and outstanding principal balance as of the Purchase Date.

4. Seller does hereby sell, transfer, assign, set over and otherwise convey to Buyer, and Buyer hereby purchases and takes from Seller, all right, title and interest of Seller in the property identified in clauses (i) - (iii) below whether constituting accounts, cash and currency, chattel paper, tangible chattel paper, electronic chattel paper, copyrights, copyright licenses, equipment, fixtures, contract rights, general intangibles, instruments, certificates of deposit, certificated securities, uncertificated securities, financial assets, securities entitlements, commercial tort claims, deposit accounts, inventory, investment property, letter-of-credit rights, software, supporting obligations, accessions, and other property and whether consisting of, arising out of, or related to any of the following, property, whether now owned or existing or hereafter created, arising or acquired and wherever located (in each case excluding the Retained Interest and the Excluded Amounts) (collectively, the “Collateral”):

- (i) the Mortgage Loans which are listed on Schedule I hereto;
- (ii) all Mortgage Loan Documents and other related Mortgage Loan Assets with respect to the Mortgage Loans referred to in clause (i) above; and
- (iii) all Related Assets with respect to the Mortgage Loans referred to in clause (i) above.

5. Seller acknowledges and agrees that Buyer is accepting this Sale Assignment in reliance on the representations, warranties and covenants of Seller contained in the Agreement. Seller hereby certifies to Buyer that all of the representations and warranties set forth in Sections 5.9 and 5.19 with respect to the Mortgage Loans are true, accurate and complete as of the Purchase Date.

6. The Agreement is hereby ratified, and all references to the “Asset Purchase Agreement,” to “this Agreement” and “herein” shall be deemed from and after the Purchase Date to be a reference to the Agreement as supplemented by this Sale Assignment. Except as expressly amended hereby, all the representations, warranties, terms covenants and conditions of the Agreement shall remain unamended and shall continue to be, and shall, remain, in full force and effect in accordance with its terms and except as expressly provided herein shall not constitute or be deemed to constitute a waiver of compliance with or consent to non-compliance with any term or provision of the Agreement.

7. THIS SALE ASSIGNMENT NO. _____ SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO THE CHOICE OF LAW PROVISIONS.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF , Seller has caused this Sale Assignment to be executed by its duly authorized officer as of the date first above written.

MANHATTAN BRIDGE CAPITAL, INC.

as Seller

By: _____

Assaf Ran

Chief Executive Officer

Signature Page to Sale Assignment

Schedule I

Mortgage Loans

CONTINUING GUARANTEE

WHEREAS, MBC Funding II Corp., a New York corporation (the “Issuer”), is entering into that certain Indenture, dated as of the date hereof (as the same may be amended, modified, supplemented or restated from time to time, the “Indenture”), with Manhattan Bridge Capital, Inc. (the “Guarantor”) and Worldwide Stock Transfer, LLC, as initial trustee (the “Trustee”), pursuant to which the Issuer is concurrently issuing its 6% Senior Secured Notes due April 2026 (the “Notes”) (all capitalized terms used herein shall have the same meaning as ascribed to them in the Indenture unless otherwise expressly stated); and

WHEREAS, as a condition precedent to the issuance of the Notes, the Guarantor is required to execute and deliver this Continuing Unconditional Guarantee (this “Guarantee”) to the Trustee, for the benefit of itself and the Noteholders; and

WHEREAS, the Guarantor is the sole stockholder of the Issuer and will directly or indirectly receive certain benefits from the proceeds of the issuance of the Notes by the Issuer and is therefore willing to guaranty the prompt payment and performance of the Obligations (as such term is hereinafter defined) of the Issuer, on the terms set forth in this Guarantee.

NOW, THEREFORE, for value received and in consideration of the purchase of the Notes by the Noteholders, the undersigned unconditionally guarantees the full and prompt payment and performance when due, whether at maturity or earlier, by reason of acceleration or otherwise, and at all times thereafter, of all of the indebtedness and obligations of every kind and nature of the Issuer under the Indenture, the Notes or any other Transaction Document, whether owing to the Indenture Trustee or the Noteholders with respect to the payment of principal, interest, and collection costs owing under the Notes or otherwise (all such indebtedness and obligations being hereinafter referred to as the “Obligations”). The Guarantor further agrees to pay all reasonable out-of-pocket costs and expenses, including, without limitation, all court costs and reasonable attorneys’ and paralegals’ fees paid or incurred by the Trustee in collecting all or any part of the Obligations from, or in prosecuting any action against, the Guarantor (together with the Obligations, the “Guaranteed Obligations”). All amounts payable by the Guarantor under this Guarantee shall be payable upon demand by the Trustee and shall be made in lawful money of the United States, in immediately available funds.

Section 1. No Fraudulent Conveyance. Notwithstanding any provision of this Guarantee to the contrary, it is intended that this Guarantee, and any security interests granted by the Guarantor to secure this Guarantee, do not constitute a “Fraudulent Conveyance” (as defined below). Consequently, the Guarantor agrees that if this Guarantee, or any such security interests securing this Guarantee, would, but for the application of this sentence, constitute a Fraudulent Conveyance, this Guarantee and each such security interest shall be valid and enforceable only to the maximum extent that would not cause this Guarantee or such security interest to constitute a Fraudulent Conveyance, and this Guarantee or the Transaction Documents providing for such security interest shall automatically be deemed to have been amended accordingly at all relevant times. For purposes hereof, “Fraudulent Conveyance” means a fraudulent conveyance under Section 548 of Chapter 11 of Title 11 of the United States Code (11 U.S.C. § 101 et seq.), as amended (the “Bankruptcy Code”) or a fraudulent conveyance or fraudulent transfer under the provisions of any applicable fraudulent conveyance or fraudulent transfer law or similar law of any state, nation or other governmental unit, as in effect from time to time.

Section 2. Unconditional Guaranty. The Guarantor hereby agrees that, its obligations under this Guarantee shall be unconditional, irrespective of (a) the genuineness, validity, regularity, enforceability or any future amendment of, or change in this Guaranty, the Transaction Documents, the Obligations or any part thereof, or of the Notes or other document evidencing all or any part of the Obligations, (b) the absence of any attempt to collect from the Issuer or any other guarantor of all or any part of the Obligations or other action to enforce the same, (c) the waiver, modification, extension, amendment or consent by the Trustee or the Noteholders with respect to any provision of any instrument evidencing the Obligations, or any part thereof, or any other agreement heretofore, now or hereafter executed by the Issuer or any other guarantor of all or any part of the Obligations, and delivered to the Trustee, (d) failure by the Trustee to take any steps to perfect and maintain its security interest in, or to preserve its rights to, any security or collateral for the Obligations or any guaranty, (e) the existence or nonexistence of any defenses which may be available to the Issuer or any other guarantor of all or any part of the Obligations, (f) the institution of any proceeding under the Bankruptcy Code, or any similar proceeding, by or against any of the Issuer or any other guarantor, or the Trustee's election in any such proceeding of the application of Section 1111(b)(2) of the Bankruptcy Code, (g) any borrowing or grant of a security interest by the Issuer, as debtor-in-possession, under Section 364 of the Bankruptcy Code (or use of cash collateral under Section 363 of the Bankruptcy Code), (h) the disallowance, under Section 502 of the Bankruptcy Code, of all or any portion of the Trustee's claim(s) for repayment of the Obligations, (i) any assignment or other transfer of the Issuer's interest or any assumption of the Issuer's obligations under the Notes, the Indenture or any Transaction Document or (j) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

Section 3. Demand by the Trustee. It is expressly understood and agreed that, if, at any time, the outstanding Obligations are declared to be immediately due and payable, then the Guarantor shall, without demand, pay to the Trustee the entire amount of the outstanding Obligations. Payment by the Guarantor shall be made to the Trustee in immediately available federal funds to an account designated by the Trustee or at the address set forth herein for the giving of notice to the Trustee or at any other address that may be specified in writing from time to time by the Trustee, and shall be credited and applied in accordance with the Indenture.

Section 4. Waiver. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of receivership or bankruptcy of the Issuer or other guarantors, protest or notice with respect to the Obligations and all demands whatsoever, and covenants that this Guarantee will not be discharged, except by complete and indefeasible payment and performance of the Guaranteed Obligations. The Guarantor further waives notice of (a) acceptance of this Guarantee, (b) the existence or incurring from time to time of any Obligations guaranteed hereunder, (c) the existence of any Default or Event of Default, the making of demand, nonpayment, or the taking of any action by the Trustee or any Noteholder, under the Indenture or any of the other Transaction Documents, and (d) the benefit of any statute of limitations. Upon the occurrence and during the continuance of any Event of Default, the Trustee may, at its sole election, proceed directly and at once, without notice, against the Guarantor to collect and recover the full amount or any portion of the Obligations, without first proceeding against the Issuer or any other guarantor, or against any security or collateral for the Obligations. The Guarantor's obligations hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, attention or compromise and shall not be subject to, and the Guarantor hereby irrevocably waives, any defense or set-off, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Guarantor's obligations hereunder or otherwise. The Guarantor agrees that this Guarantee constitutes a guarantee of payment when due and not of collection.

Section 5. Authorization. The Trustee is hereby authorized in accordance with the Indenture, without notice or demand and without affecting the liability of the Guarantor hereunder, at any time and from time to time to (a) renew, extend, accelerate or otherwise change the time for payment of, or other terms relating to, the Obligations or otherwise modify, amend or change the terms of the Notes or other agreement, document or instrument now or hereafter executed by the Issuer or any other guarantor and delivered to the Trustee; (b) accept partial payments on the Obligations; (c) take and hold security or collateral for the payment of the Obligations guaranteed hereby, or for the payment of this Guarantee, or for the payment of any other guaranties of the Obligations, and exchange, enforce, waive and release any such security or collateral; (d) apply such security or collateral and direct the order or manner of sale or other disposition thereof as in its discretion it may determine; (e) take any action under or in respect of the Transaction Documents in the exercise of any remedy, power or privilege contained therein or available to it at law, equity or otherwise, or waive or refrain from exercising any such remedies, powers or privileges and (f) settle, release, compromise, collect or otherwise liquidate the Obligations with respect to any security or collateral therefor in any manner, without affecting or impairing the obligations of the Guarantor hereunder. The time and manner of application of any payments or credits, whether received from the Issuer or any other source, shall be made by the Trustee in accordance with the Indenture. All such payments and credits may be applied, reversed and reapplied, in whole or in part, to any of the Obligations as the Trustee shall determine in its discretion without affecting the validity or enforceability of this Guarantee.

Section 6. The Guarantor's Responsibility. The Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of the Issuer and any and all endorsers and/or other guarantors of any instrument or document evidencing all or any part of the Obligations and of all other circumstances bearing upon the risk of nonpayment of the Obligations or any part thereof, and the Guarantor hereby agrees that neither the Trustee nor any Noteholder shall have any duty to advise the Guarantor of information known to the Trustee or such Noteholder regarding such condition or any such circumstances or to undertake any investigation. If the Trustee or any Noteholder, in its discretion, undertakes at any time or from time to time to provide any such information to the Guarantor, neither the Trustee nor such Noteholder shall be under any obligation to update any such information or to provide any such information to the Guarantor on any subsequent occasion. The Guarantor further acknowledges that the Guarantor has examined or had the opportunity to examine the Indenture and the other Transaction Documents, and waives any defense which may exist resulting from the Guarantor's failure to receive or examine at any time the Indenture or the other Transaction Documents.

Section 7. Consent. The Guarantor consents and agrees that neither the Trustee nor any Noteholder shall be under any obligation to marshal any assets in favor of the Guarantor or against or in payment of any or all of the Obligations. The Guarantor further agrees that, to the extent that the Issuer, the Guarantor or any other Person makes a payment or payments to the Trustee or a Noteholder, or the Trustee or a Noteholder receives any proceeds of collateral, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to the Issuer, its estates, the trustees, receivers or any other Person, including, without limitation, the Guarantor, under any bankruptcy law, state or federal law, common law or equitable theory, then to the extent of such payment or repayment, the Obligations or the part thereof which has been paid, reduced or satisfied by such amount, and the Guarantor's obligations hereunder with respect to such portion of the Obligations, shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred.

Section 8. Binding on Assigns. This Guarantee shall be binding upon the Guarantor and upon its successors (including, without limitation, any receiver, the trustee or debtor-in- possession of or for the Guarantor) and assigns of the Guarantor, and shall inure to the benefit of the Trustee, the Noteholders and their respective successors and assigns; provided, however, that the Guarantor's obligations hereunder may not be delegated or assigned without the Trustee's prior written consent.

Section 9. Representations and Warranties. The Guarantor represents and warrants (which representations and warranties shall survive the execution and delivery hereof) to the Trustee and the Noteholders that:

(a) The Guarantor is a corporation duly created and validly existing in good standing under the laws of the State of New York and has full power, authority and legal right to execute and deliver this Guarantee and the other Transaction Documents to which the Guarantor is a party, and to perform its obligations hereunder and thereunder.

(b) The execution and delivery by the Guarantor of this Guarantee and the other Transaction Documents to which the Guarantor is a party, and the performance by the Guarantor of its obligations hereunder and thereunder, has been duly and validly authorized and will not violate the organizational documents of the Guarantor, nor will such execution, delivery or performance require the authorization, consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action by, any arbitrator, court or other Governmental Authority (other than the SEC) or conflict with, or result in a breach or violation of, any provision of any law or regulation governing the Guarantor or any order, writ, judgment or decree of any arbitrator, court or other Governmental Authority applicable to the Guarantor or any of its assets, any indenture, mortgage, deed of trust, partnership agreement or other agreement or instrument to which the Guarantor is a party or by which the Guarantor or all or any portion of its assets is bound, which breach or violation would materially adversely affect either the ability of the Guarantor to perform its obligations under this Guarantee and such other Transaction Documents or the financial condition of the Guarantor.

(c) The Guarantor has requisite power and authority to transact the businesses in which it is now engaged. The Guarantor is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection its business and operations. The Guarantor possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to entitle it to transact the businesses in which it is now engaged, the failure of which to obtain would result in a material adverse effect on either the ability of the Guarantor to perform its obligations under this Guarantee and the other Transaction Documents to which it is a party or the financial condition of the Guarantor.

(d) This Guarantee and the other Transaction Documents to which it is a party have been duly executed and delivered by the Guarantor and constitute valid, legal and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with the terms hereof and thereof, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

(e) The Guarantor has no employee benefit plans and is not required to make any contributions to any Plans.

(f) The Guarantor is not: (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the 1940 Act; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which prevents the Guarantor from entering into this Guarantee or the other Transaction Documents to which it is a party.

(g) The Transaction Documents and the Prospectus do not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements contained herein or therein not misleading.

(h) There are no Proceedings at law or in equity or by or before any government authority, arbitral tribunal or other body now pending against the Guarantor or, to the best knowledge of the Guarantor, threatened against the Guarantor which questions the validity or legality of or seeks damages in connection with this Guarantee or which seeks to prevent the consummation of any of the transactions contemplated by this Guarantee.

(i) It is in the Guarantor's direct interest to assist the Issuer in issuing the Notes because the Guarantor has a direct investment in or business relationship with the Issuer.

Section 10. Continuation. This Guarantee shall continue in full force and effect (and may not be revoked or terminated) until such time as the Trustee has, in writing, notified the Guarantor that all of the Obligations have been indefeasibly paid and satisfied in full and the Indenture has been terminated.

Section 11. Subrogation. The Guarantor shall not at any time exercise any rights of any nature of subrogation, contribution, reimbursement or indemnity and any right of the Guarantor to recourse to any assets or property of, or payment from, the Issuer or any other guarantor of all or any part of the Obligations as a result of any payments made or to be made hereunder for any reason, unless and until all of the Obligations have been indefeasibly paid and satisfied in full. Any payments received by the Guarantor in violation of this Section 11 shall be held in trust for and immediately remitted to the Trustee.

Section 12. Subordination. The payment of any and all of indebtedness, liabilities and obligations of the Issuer to the Guarantor of every kind or nature, whether joint or several, due or to become due, absolute or contingent, now existing or hereafter arising, and whether principal, interest, fees, costs, expenses or otherwise (collectively, the “Subordinated Debt”), is expressly subordinated to the Obligations. So long as any Obligations remain outstanding and the Indenture has not been terminated, no payment of any kind (by voluntary payment, prepayment, acceleration, setoff or otherwise) of any portion of the Subordinated Debt may be made by the Issuer or received or accepted by the Guarantor at any time. Until such time as the Obligations have been paid and satisfied in full and the Indenture has been terminated, the Guarantor will not (a) obtain any lien, security interest or other encumbrance on any property of the Issuer to secure the Subordinated Debt, or (b) make demand for payment of the Subordinated Debt or commence any lawsuit, action or proceeding of any kind against the Issuer to recover all or any part of the Subordinated Debt. Any payments received by the Guarantor in violation of this Section 12 shall be held in trust for and immediately remitted to the Trustee.

Section 13. GOVERNING LAW. THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

Section 14. CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL WAIVER. ANY ACTION OR PROCEEDING AGAINST ANY OF THE PARTIES HERETO RELATING IN ANY WAY TO THIS GUARANTEE MAY ONLY BE BROUGHT AND ENFORCED IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN OR OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND EACH OF THE GUARANTOR AND, BY ITS ACCEPTANCE OF THIS GUARANTEE, THE TRUSTEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF EACH SUCH COURT IN RESPECT OF ANY SUCH ACTION OR PROCEEDING. EACH OF THE GUARANTOR AND, BY ITS ACCEPTANCE OF THIS GUARANTEE, THE TRUSTEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO REMOVE ANY SUCH ACTION OR PROCEEDING BY REASON OF IMPROPER VENUE OR INCONVENIENT FORUM. AS LONG AS ANY OBLIGATIONS REMAIN OUTSTANDING AND THE INDENTURE HAS NOT BEEN TERMINATED, SERVICE OF PROCESS UPON THE GUARANTOR AND, BY ITS ACCEPTANCE OF THIS GUARANTEE, THE TRUSTEE SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE IN ANY SUCH LEGAL ACTION OR PROCEEDING. EACH OF THE GUARANTOR AND, BY ITS ACCEPTANCE OF THIS GUARANTEE, THE TRUSTEE HEREBY IRREVOCABLY WAIVES TRIAL BY JURY.

Section 15. Entire Agreement; Severability. This Guarantee represents the entire understanding and agreement between the Guarantor, on the one hand, and the Trustee and the Noteholders, on the other hand, with respect to the subject matter contained herein, and there are no other existing agreements or understandings, whether oral or written, between or among such parties as to such subject matter. Wherever possible, each provision of this Guarantee shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guarantee shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guarantee.

Section 16. Cumulative Remedies; Amendments. All rights and remedies hereunder and under the Indenture and the other Transaction Documents are cumulative and not alternative, and the Trustee or the Noteholders may proceed in any order from time to time against the Issuer, the Guarantor or any other guarantor of all or any part of the Obligations and their respective assets. Neither the Trustee nor the Noteholders shall have any obligation to proceed at any time or in any manner against, or exhaust any or all of the Trustee's or the Noteholders' rights against, the Issuer or any other guarantor of all or any part of the Obligations prior to proceeding against the Guarantor hereunder. No failure or delay on the part of the Trustee or the Noteholders in the exercise of any power, right or privilege shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No amendment, modification or waiver of any provision of this Guarantee, or consent to any departure by the Guarantor therefrom, shall be effective unless the same shall be in writing and signed by the Trustee and the Guarantor. Each amendment, modification or waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 17. Notices. Any communication provided for or permitted hereunder shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given if delivered by courier or mailed by first class mail, postage prepaid, or if transmitted by facsimile and confirmed in a writing delivered or mailed as aforesaid, to: (a) in the case of the Guarantor Manhattan Bridge Capital, Inc., 60 Cutter Mill Road, Suite 205, Great Neck, New York 11021, Attention: Assaf Ran; and (b) in the case of the Trustee, Worldwide Stock Transfer, LLC, One University Plaza Drive, Suite 505, Hackensack, New Jersey, 07601, Attention: Jonathan Gellis, facsimile number: (201) 755-2597; or at such other address as may be substituted by notice given as herein provided.

Section 18. Relation to Intercreditor Agreement.

(i) Notwithstanding anything herein to the contrary, the obligations and liabilities of the Guarantor pursuant to this Guarantee and the exercise of any right or remedy by the Trustee hereunder are subject to the provisions of that certain Intercreditor Agreement dated as of the date hereof among the Trustee and Webster Business Credit Corporation, as such agreement may from time to time be amended, restated, supplemented or otherwise modified. In the event of any conflict between the terms of such agreement and this Guarantee, the terms of such agreement shall govern and control.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Guarantee has been duly executed by the undersigned as of April 25, 2016.

MANHATTAN BRIDGE CAPITAL, INC.

By: /s/ Assaf Ran

Assaf Ran

Chief Executive Officer

Signature Page to Continuing Guarantee

**PLEDGE AGREEMENT MADE BY
MANHATTAN BRIDGE CAPITAL, INC. TO
WORLDWIDE STOCK TRANSFER, LLC AS INDENTURE TRUSTEE**

DATED AS OF APRIL 25, 2016

Table of Contents

	<u>Page</u>
ARTICLE I. DEFINITIONS	1
Section 1.1 Defined Terms	1
Section 1.2 Other Definitional Provisions	2
Section 1.3 Other Terms	2
Section 1.4 Computation of Time Periods	2
ARTICLE II. PLEDGE	2
Section 2.1 Pledge	2
ARTICLE III. DELIVERY OF COLLATERAL	3
Section 3.1 Delivery of Collateral	3
Section 3.2 Recording of Encumbrance	3
Section 3.3 Equity Interests	3
ARTICLE IV. REPRESENTATIONS AND WARRANTIES	4
Section 4.1 Representations and Warranties	4
ARTICLE V. SUPPLEMENTS; FURTHER ASSURANCES	6
Section 5.1 Supplements	6
Section 5.2 Further Assurances	6
ARTICLE VI. COVENANTS	6
Section 6.1 No Encumbrances	6
Section 6.2 Notices	6
Section 6.3 Dividend/Distribution Rights/Voting Power	6
Section 6.4 Equity Interests	7
Section 6.5 Legal Subsistence	7
Section 6.6 Compliance with Laws	7
Section 6.7 Taxes	7
Section 6.8 Modifications	7
ARTICLE VII. SECURED PARTY APPOINTED ATTORNEY-IN-FACT	7
Section 7.1 Secured Party Appointed Attorney-In-Fact	7
ARTICLE VIII. REASONABLE CARE	8
Section 8.1 Reasonable Care	8
ARTICLE IX. NO LIABILITY	8
Section 9.1 No Liability	8
ARTICLE X. REMEDIES UPON EVENT OF DEFAULT	8
Section 10.1 Remedies Upon Event of Default	8
ARTICLE XI. EXPENSES	10
Section 11.1 Expenses	10
ARTICLE XII. NO WAIVER	10

Table of Contents (cont.)

	Page
Section 12.1 No Waiver	10
ARTICLE XIII. AMENDMENTS	10
Section 13.1 Amendments	10
ARTICLE XIV. RELEASE; TERMINATION	10
Section 14.1 Release; Termination	10
ARTICLE XV. NOTICES	11
Section 15.1 Notices	11
ARTICLE XVI. CONTINUING SECURITY INTEREST	11
Section 16.1 Continuing Security Interest	11
ARTICLE XVII. SECURITY INTEREST ABSOLUTE	11
Section 17.1 Security Interest Absolute	11
ARTICLE XVIII. INDEMNITY	12
Section 18.1 Indemnity	12
ARTICLE XIX. OBLIGATIONS SECURED BY COLLATERAL	12
Section 19.1 Obligations Secured by Collateral	12
ARTICLE XX. SEVERABILITY	12
Section 20.1 Severability	12
ARTICLE XXI. COUNTERPARTS; EFFECTIVENESS	12
Section 21.1 Counterparts; Effectiveness	12
ARTICLE XXII. REINSTATEMENT	13
Section 22.1 Reinstatement	13
ARTICLE XXIII. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL	13
Section 23.1 SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL	13
ARTICLE XXIV. GOVERNING LAW	14
Section 24.1 GOVERNING LAW	14

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this “Agreement”), dated as of April 25, 2016, is made by MANHATTAN BRIDGE CAPITAL, INC., a New York corporation (“MBC”), to WORLDWIDE STOCK TRANSFER, LLC, as Indenture Trustee under the Indenture hereinafter described (the “Secured Party”), as grantee hereunder.

WITNESSETH:

WHEREAS, pursuant to that certain Indenture, dated as of April 25, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), among MBC Funding II Corp, a New York corporation (the “Issuer”), MBC and the Secured Party, the Issuer is issuing its 6% Senior Secured Notes due April 2026 (the “Notes”); and

WHEREAS, as a condition precedent to the issuance of the Notes, MBC is executing and delivering that certain Continuing Guarantee, dated as of April 25, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Guarantee”) to the Trustee, for the benefit of itself, the Secured Party and the Noteholders; and

WHEREAS, as a condition precedent to the issuance of the Notes, MBC is required to execute and deliver this Agreement to the Secured Party to secure MBC’s obligations under the Guarantee; and

WHEREAS, MBC will derive a financial benefit from the issuance of the Notes by the Issuer, such that it is and will be in MBC’s interest and to its financial benefit to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, MBC hereby covenants and agrees with the Secured Party as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Defined Terms. Unless otherwise defined herein, terms defined in the Indenture and used herein shall have the meanings given to them in the Indenture, except that the following terms shall have the specified meanings:

“Agreement” has the meaning set forth in the preamble hereto.

“Collateral” has the meaning set forth in Section 2.1.

“MBC” has the meaning set forth in the preamble of this Agreement.

“Equity Interests” means shares of capital stock or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding debt securities convertible or exchangeable into any such equity interest.

“Indemnitee” has the meaning set forth in Section 18.1.

“Indenture” has the meaning set forth in the recitals to this Agreement.

“Issuer” has the meaning set forth in the recitals to this Agreement.

“Notes” has the meaning set forth in the recitals to this Agreement.

“Pledged Equity” has the meaning set forth in Section 2.1(a).

“Secured Obligations” has the meaning set forth in Section 2.1.

“Secured Party” has the meaning set forth in the preamble of this Agreement.

“Voting Notice” has the meaning set forth in Section 6.3.

Section 1.2 Other Definitional Provisions.

(a) Each term defined in the singular form in Section 1.1 or elsewhere in this Agreement shall mean the plural thereof when the plural form of such term is used in this Agreement or any certificate, report or other document made or delivered pursuant hereto, and each term defined in the plural form in Section 1.1 or elsewhere in this Agreement shall mean the singular thereof when the singular form of such term is used herein or therein. Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders.

(b) The words “hereof”, “herein”, “hereunder” and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article and Section references herein are references to Articles and Sections to this Agreement unless otherwise specified.

(c) The terms “include”, “including” and similar terms shall be construed as if followed by the phrase “without limitation”.

Section 1.3 Other Terms. Unless otherwise defined herein or in the Indenture, or unless the context otherwise requires, all terms used herein that are defined in the UCC shall have the meanings therein stated.

Section 1.4 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding”.

ARTICLE II.
PLEDGE

Section 2.1 Pledge. As security for the payment and performance when due of the obligations of MBC under the Guarantee (the “Secured Obligations”), MBC hereby pledges, grants, assigns, hypothecates, transfers and delivers to the Secured Party, for the benefit of itself and the Noteholders, a continuing first priority security interest in all of MBC’s right, title and interest in, to and under the following property, whether now owned or hereafter acquired (the “Collateral”):

(a) all of MBC’s Equity Interests in the Issuer, whether now owned or acquired in the future (the “Pledged Equity”);

- (b) all certificates, agreements or other instruments, if any, representing the Pledged Equity;
- (c) all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for all or any part of the Pledged Equity; and
- (d) all proceeds of any of the foregoing (including, without limitation, proceeds constituting any property of the types described above).

ARTICLE III.
DELIVERY OF COLLATERAL

Section 3.1 Delivery of Collateral. Contemporaneously with the execution of this Agreement, MBC shall deliver or cause to be delivered to the Secured Party, to the extent not previously delivered, (a) any and all certificates and other instruments evidencing the Pledged Equity then held in the form of certificates or other instruments by MBC, together with undated stock powers or assignments of such certificates duly executed and signed in blank, (b) any and all certificates or other instruments or documents representing any of the Collateral then held by MBC and (c) all other property comprising part of the Collateral then held in the form of certificates or other instruments by MBC with proper instruments of assignment duly executed and such other instruments or documents as the Secured Party may reasonably request to effect the purposes contemplated hereby.

Section 3.2 Recording of Encumbrance. MBC shall record the security interest of the Secured Party on its records at its principal office within two (2) Business Days after the date hereof and provide to the Secured Party written confirmation that such security interest has been recorded and that there are no other liens, security interests or other encumbrances on its records with respect to the Collateral.

Section 3.3 Equity Interests. If MBC shall become entitled to receive or shall receive, in respect of the Pledged Equity, any Equity Interests, options, warrants, rights or other similar property, including, without limitation, any certificate representing any distribution in connection with any recapitalization, reclassification or increase or reduction of capital (whether as an addition to, in substitution of or in exchange for such Pledged Equity or otherwise), MBC agrees:

- (a) to accept the same as the agent of the Secured Party;
- (b) to hold the same in trust on behalf of and for the benefit of the Secured Party; and

(c) to deliver any and all certificates or instruments evidencing the same to the Secured Party on or before the close of business on the second (2nd) Business Day following the receipt thereof by MBC, in the exact form received, with undated stock powers or assignment of such certificate or instruments duly executed in blank, to be held by the Secured Party, subject to the terms of this Agreement, as additional Collateral.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties. MBC represents and warrants as follows:

(a) MBC is a corporation duly created and validly existing in good standing under the laws of the State of New York and has full power, authority and legal right to execute and deliver this Agreement and the other Transaction Documents to which MBC is a party, and to perform its obligations hereunder and thereunder.

(b) The execution and delivery by MBC of this Agreement and the other Transaction Documents to which MBC is a party, and the performance by MBC of its obligations hereunder and thereunder, has been duly and validly authorized and will not violate the organizational documents of MBC, nor will such execution, delivery or performance require the authorization, consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action by, any arbitrator, court or other Governmental Authority (other than the SEC) or conflict with, or result in a breach or violation of, any provision of any law or regulation governing MBC or any order, writ, judgment or decree of any arbitrator, court or other Governmental Authority applicable to MBC or any of its assets, any indenture, mortgage, deed of trust, partnership agreement or other agreement or instrument to which MBC is a party or by which MBC or all or any portion of its assets is bound, which breach or violation would materially adversely affect either the ability of MBC to perform its obligations under this Agreement and such other Transaction Documents or the financial condition of MBC.

(c) This Agreement and the other Transaction Documents have been duly executed and delivered by MBC and constitute valid, legal and binding obligations of MBC, enforceable against MBC in accordance with the terms hereof, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

(d) MBC is not: (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the 1940 Act; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which prevents MBC from entering into this Agreement.

(e) There are no Proceedings at law or in equity or by or before any government authority, arbitral tribunal or other body now pending against MBC or, to the best knowledge of MBC, threatened against MBC which questions the validity or legality of or seeks damages in connection with this Agreement or the other Transaction Documents to which MBC is a party or which seeks to prevent the consummation of any of the transactions contemplated by this Agreement or such other Transaction Documents.

(f) It is in MBC's direct interest to assist the Issuer in issuing the Notes because MBC has a direct investment in or business relationship with the Issuer.

(g) The Pledged Equity is validly issued, fully paid for and non-assessable and is registered in the name of MBC.

(h) MBC is pledging hereunder all of MBC's interest and ownership in the Issuer and Issuer has not issued any of other equity securities or any debt securities convertible into equity securities in the Issuer. MBC is the sole legal and beneficial owner of the Collateral free and clear of any liens, security interests or other encumbrances, other than the security interest created pursuant to this Agreement. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Secured Party pursuant to this Agreement.

(i) No consent of any other party (including, without limitation, shareholders, directors or creditors of MBC) and no government approval is required which has not been obtained (i) for the pledge by MBC of the Collateral pursuant to this Agreement or (ii) for the exercise by the Secured Party of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement (except as may be required (1) in connection with any disposition of all or any part of the Collateral under any laws affecting the offering and sale of securities generally, and (2) under applicable federal and state laws, rules and regulations and applicable interpretations thereof providing for the supervision or regulation of the banking or trust businesses generally and applicable to the Secured Party.

(j) The execution and delivery of this Agreement concurrently with the delivery to the Secured Party of the certificates and other items contemplated by Section 3.1 and the taking of the actions described in Section 3.3 constitute "control" of the Pledged Equity described in Section 8-106(b) of the UCC and create a valid security interest in the Collateral securing the Secured Obligations, and MBC has done such other acts, if any, reasonably requested by the Secured Party to perfect the security interest in the Collateral granted hereunder.

(k) MBC has not sold, transferred, pledged or granted any option or security interest in or otherwise hypothecated the Collateral in any manner whatsoever, except for the security interest granted to the Secured Party hereby; the Collateral is pledged hereby free and clear of any liens, security interests, encumbrances, claims, attachments, pledges, restrictions, legends, and options of every kind, nature and description and whether voluntary or involuntary; and, so long as any portion of the Obligations remain unpaid, MBC will not sell, transfer, pledge or grant any lien, security interest, encumbrances or option in or with respect to the Collateral or otherwise create or permit to exist any lien upon or with respect to the Collateral without the consent of the Secured Party and will do all other acts which may be reasonably necessary to protect the Collateral against the rights, claims, liens or other security interests of third persons.

ARTICLE V.
SUPPLEMENTS; FURTHER ASSURANCES

Section 5.1 Supplements. MBC agrees that, at any time and from time to time, at MBC's expense and upon the Secured Party's reasonable request, MBC will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable in the reasonable discretion of the Secured Party, in order to perfect the security interest in the Collateral and to carry out the provisions of this Agreement or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

Section 5.2 Further Assurances. If MBC fails to perform any agreement contained herein after receipt of a written request to do so from the Secured Party, the Secured Party may itself perform, or cause performance of, such agreement, in which case the reasonable expenses of the Secured Party, including the fees and expenses of its counsel, incurred in connection therewith shall be payable by MBC under Section 11.1.

ARTICLE VI.
COVENANTS

Section 6.1 No Encumbrances. MBC shall not (a) sell or otherwise dispose of the Collateral or any interest therein or (b) enter into, create, incur, assume, suffer or permit to exist any lien, security interest or other encumbrance on or with respect to the Collateral, now owned or hereafter acquired or any interest therein or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect any financing statement or other similar notice of any lien, security interest or other encumbrance with respect to the Collateral

Section 6.2 Notices. MBC shall promptly give the Secured Party copies of all notices and other communications received by MBC with respect to any Collateral registered in the name of MBC.

Section 6.3 Dividend/Distribution Rights/Voting Power. Unless and until an Event of Default shall have occurred, MBC shall be entitled to receive all dividends and/or distributions paid on the Pledged Equity and to exercise all voting powers in all organizational matters pertaining to the Collateral for any purpose not inconsistent with, or in violation of, the provisions of the Indenture or the other Transaction Documents. Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default, the Secured Party may, in its sole discretion, deliver to MBC a written notice (such notice, a "Voting Notice"), whereupon the Secured Party shall have the sole and exclusive right to exercise all voting rights with respect to the Collateral, and MBC shall take all such steps as may be necessary to effectuate such rights until the Secured Party notifies MBC in writing of the revocation of such Voting Notice. Upon the delivery of a Voting Notice to MBC and until such time, if any, as such Voting Notice is revoked, MBC shall have no further rights to and shall not exercise voting powers or other ownership and/or management rights with respect to the Collateral and all such rights shall be thereafter exercisable only by the Secured Party (regardless of whether the Secured Party shall have taken title to the Collateral and/or otherwise exercised any of its rights and remedies with respect to the Collateral and even prior to any such exercise).

Section 6.4 Equity Interests. MBC agrees that it will not accept any Equity Interests or other equity ownership interests, any rights or options to acquire any Equity Interests or other equity ownership interests or other securities, each in addition to or in substitution for the Collateral, without prior written consent of the Secured Party.

Section 6.5 Legal Subsistence. MBC shall preserve and maintain (a) its legal subsistence as a corporation in good standing under the laws of the State of New York and (b) its qualification to do business in every jurisdiction where the ownership of its properties and the nature of its business require them to be so qualified and where the failure to be so qualified would have a material adverse effect on the security interest created by this Agreement.

Section 6.6 Compliance with Laws. MBC shall comply in all material respects with all laws, and obtain, maintain and comply with all government approvals as shall now or hereafter be necessary under applicable law, rule, or regulation, in each case, in connection with the making and performance by MBC of any provision of this Agreement.

Section 6.7 Taxes. MBC shall pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its incomes or profits or on any of its properties prior to the date on which penalties attach thereto, and all lawful claims that, if unpaid, could reasonably be expected to become a lien or other encumbrance upon the Collateral, unless such matters are being challenged by MBC in good faith. MBC will promptly pay or cause to be paid any valid, final judgment enforcing any such tax, assessment, charge, levy or claim and cause the same to be satisfied of record.

Section 6.8 Modifications. MBC shall not, without the prior written consent of the Secured Party, agree to or permit any amendment, supplement or modification of, or waiver with respect to, any of the provisions of any of the organizational documents of the Issuer, if any such amendment, supplement, modification or waiver would result in a material adverse change in the value of the Collateral or the rights of the Secured Party.

ARTICLE VII.
SECURED PARTY APPOINTED ATTORNEY-IN-FACT

Section 7.1 Secured Party Appointed Attorney-In-Fact. MBC hereby appoints the Secured Party, or any Person (including any officer or agent) whom the Secured Party may designate, as MBC's true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of MBC and in the name of MBC or in its own name, at MBC's cost and expense, from time to time in the Secured Party's reasonable discretion to take any action and to execute any instrument which the Secured Party may reasonably deem necessary or advisable to enforce its rights under this Agreement, including, without limitation, authority to receive, endorse and collect all instruments made payable to MBC representing any distribution, interest payment or other payment in respect of the Collateral or any part thereof and to give full discharge for the same; provided, however, that the Secured Party will not exercise its powers under this Section 7.1 unless an Event of Default has occurred and is continuing and unless so instructed pursuant to the Indenture.

ARTICLE VIII.
REASONABLE CARE

Section 8.1 Reasonable Care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property of the type of which the Collateral consists, it being understood that the Secured Party shall have no responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral absent its gross negligence or willful misconduct.

ARTICLE IX.
NO LIABILITY

Section 9.1 No Liability. Neither the Secured Party nor any of its directors, officers, employees or agents shall be deemed to have assumed any of the liabilities or obligations of MBC as a result of the pledge and security interest granted under or pursuant to this Agreement. In the absence of gross negligence or willful misconduct, the Secured Party or any of its directors, officers, employees or agents shall not be liable for any failure to collect or realize upon the Secured Obligations or any collateral security or guarantee therefor, or any part thereof, or for any delay in so doing nor shall it be under any obligation to take any action whatsoever with regard thereto.

ARTICLE X.
REMEDIES UPON EVENT OF DEFAULT

Section 10.1 Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing:

(a) The Secured Party may exercise the power of attorney described in Section 7.1 with respect to the Collateral and any of the certificates or other instruments delivered pursuant to Section 3.1.

(b) The Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC then in effect in any applicable jurisdiction, and the Secured Party may also in its sole discretion, without notice except as specified below or except as required by mandatory provisions of law, sell the Collateral or any part thereof in one or more parcels at public or private sale or at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may reasonably deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Collateral at any such sale. Each purchaser at any such sale shall hold the property, sold absolutely, free from any claim or right on the part of MBC, and MBC hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. MBC agrees that, to the extent notice of sale shall be required by law, at least ten (10) Business Days' notice to MBC of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Secured Party shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any public or private sale. MBC hereby waives any claims against the Secured Party arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Secured Party accepts the first offer received and does not offer such Collateral to more than one offeree.

(c) MBC recognizes that the Secured Party may elect in its sole discretion to sell all or a part of the Collateral to one or more purchasers in privately negotiated transactions in which the purchasers will be obligated to agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. MBC acknowledges that any such private sales may be at prices and on terms less favorable than those obtainable through a public sale (including, without limitation, a public offering made pursuant to a registration statement under the 1933 Act), and MBC and the Secured Party agree that the Secured Party has no obligation to engage in public sales or to delay the sale of any Collateral to permit the issuer thereof to register the Collateral in connection with a public sale requiring registration under the 1933 Act.

(d) Any cash held by the Secured Party as Collateral and all cash proceeds received by the Secured Party in respect of any sale of, collection from or other realization upon all or any part of the Collateral shall, as soon as reasonably practicable, be applied (after payment of any amounts payable to the Secured Party pursuant to Section 11.1) by the Secured Party, first, to the payment of the costs and expenses of such sale, collection or other realization, if any, including reasonable out-of-pocket costs and expenses of the Secured Party (including the reasonable fees and out-of-pocket expenses of its counsel), and all reasonable expenses, liabilities and advances made or incurred by the Secured Party in connection therewith, second, to the payment of the Secured Obligations in accordance with the terms of the Indenture and, third, all remaining amounts shall promptly be paid to MBC or its successors or assigns.

ARTICLE XI.
EXPENSES

Section 11.1 Expenses. MBC will upon demand pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and the Secured Party, and any transfer taxes, in each case payable upon sale of the Collateral, which the Secured Party may incur in connection with (a) the custody or preservation of, or the sale of, collection from or other realization upon, any of the Collateral pursuant to the exercise or enforcement of any of the rights of the Secured Party hereunder or (b) the failure by MBC to perform or observe any of the provisions hereof. Any amount payable by MBC pursuant to this Section 11.1 shall be payable upon demand and shall constitute Secured Obligations secured hereby.

ARTICLE XII.
NO WAIVER

Section 12.1 No Waiver. No failure or delay on the part of the Secured Party to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Secured Party of any right, power or remedy preclude any additional exercise by the Secured Party of such right, power or remedy. The remedies herein provided are to the fullest extent permitted by law cumulative and are not exclusive of any remedies provided by law. No notice to or demand on MBC in any case shall entitle MBC to any other or further notice or demand in similar or other circumstances.

ARTICLE XIII.
AMENDMENTS

Section 13.1 Amendments. No waiver, amendment, modification or termination of any provision of this Agreement, or consent to any departure by MBC therefrom, shall in any event be effective without the written concurrence of the Secured Party, and none of the Collateral shall be released without the written consent of the Secured Party. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

ARTICLE XIV.
RELEASE; TERMINATION

Section 14.1 Release; Termination. Upon payment and performance in full of the Secured Obligations, this Agreement shall terminate, and the Secured Party (a) shall promptly deliver to MBC any remaining Collateral and money received in respect thereof, and all documents, agreements or instruments representing the Collateral held by the Secured Party prior to such termination, and (b) upon request by MBC, shall promptly deliver to MBC and file or record, at MBC's expense, all such documentation (including UCC termination statements) necessary to release the liens on the Collateral, such documentation to be prepared by MBC and delivered to the Secured Party. If the Secured Party fails to promptly deliver or file or record the UCC termination statements referred to in, and in accordance with, clause (b) in the immediately preceding sentence, then MBC may file or record such UCC termination statements.

ARTICLE XV.
NOTICES

Section 15.1 Notices. Any communication provided for or permitted hereunder shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given if delivered by courier or mailed by first class mail, postage prepaid, or if transmitted by facsimile and confirmed in a writing delivered or mailed as aforesaid, to: (a) in the case of MBC, Manhattan Bridge Capital, Inc., 60 Cutter Mill Road, Suite 205, Great Neck, New York 11021, Attention: Assaf Ran and (b) in the case of Secured Party, Worldwide Stock Transfer, LLC, One University Plaza, Suite 505, Hackensack, New Jersey 07601, Attention: Jonathan Gellis, facsimile number: (201) 755-2597; or at such other address as may be substituted by notice given as herein provided.

ARTICLE XVI.
CONTINUING SECURITY INTEREST

Section 16.1 Continuing Security Interest. This Agreement shall create a continuing lien and security interest in the Collateral until the release thereof pursuant to Section 14.1. This Agreement shall accrued to the benefit of an successor Indenture Trustee appointed as such in accordance with the Indenture, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Secured Party herein or otherwise.

ARTICLE XVII.
SECURITY INTEREST ABSOLUTE

Section 17.1 Security Interest Absolute. All rights of the Secured Party and security interests hereunder, and all obligations of MBC hereunder, shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of any of the Transaction Documents or any other agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Transaction Documents or any other agreement or instrument relating thereto;
- (c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guaranty, for all or any of the Secured Obligations; or
- (d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, MBC.

ARTICLE XVIII.
INDEMNITY

Section 18.1 Indemnity. MBC agrees to indemnify, reimburse and hold the Secured Party and its officers, directors, employees and agents (each, an “Indemnitee” and, collectively, the “Indemnitees.”) harmless from any and all liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all costs and expenses (including attorneys’ fees and disbursements) of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in connection with (a) the custody or preservation of, or the sale of, collection from or other realization upon, any of the Collateral pursuant to the exercise or enforcement of any of the rights of the Secured Party hereunder or (b) the failure by MBC to perform or observe any of the provisions hereof, excluding those arising out of the gross negligence or willful misconduct of any Indemnitee. Each Indemnitee agrees to use its best efforts to promptly notify MBC of any assertion of any such liability, damage, injury, penalty, claim, demand, action, judgment or suit of which such Indemnitee has knowledge.

ARTICLE XIX.
OBLIGATIONS SECURED BY COLLATERAL

Section 19.1 Obligations Secured by Collateral. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement, and any amounts paid by the Secured Party in preservation of any of its rights or interest in the Collateral, shall constitute Secured Obligations secured by the Collateral.

ARTICLE XX.
SEVERABILITY

Section 20.1 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Where provisions of any law or regulation resulting in such prohibition or unenforceability may be waived, they are hereby waived by the parties hereto to the full extent permitted by law so that this Agreement shall be deemed a valid, binding agreement in accordance with its terms.

ARTICLE XXI.
COUNTERPARTS; EFFECTIVENESS

Section 21.1 Counterparts; Effectiveness. This Agreement and any amendments, waivers, consents or supplements may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution and delivery of a counterpart hereof by each of the parties hereto.

ARTICLE XXII.
REINSTATEMENT

Section 22.1 Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Party hereunder or pursuant hereto is rescinded or must otherwise be restored or returned by the Secured Party, as the case may be, upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of MBC or upon the appointment of any intervenor or conservator of, or trustee or similar official for, MBC or any substantial part of its assets, or upon the entry of an order by a bankruptcy court avoiding the payment of such amount, or otherwise, all as though such payments had not been made.

ARTICLE XXIII.
SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL

Section 23.1 SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO MAY BE BROUGHT IN THE COURTS OF THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND EACH OF MBC AND SECURED PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH OF MBC AND THE SECURED PARTY HEREBY IRREVOCABLY WAIVE TRIAL BY JURY AND ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(b) EACH OF MBC AND SECURED PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE SENDING OF COPIES THEREOF BY FEDERAL EXPRESS OR OTHER OVERNIGHT COURIER COMPANY, TO MBC AT ITS ADDRESS SPECIFIED BY SECTION 15.1, SUCH SERVICE TO BECOME EFFECTIVE FOUR DAYS AFTER DELIVERY TO SUCH COURIER COMPANY.

(c) NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST MBC IN ANY OTHER JURISDICTION.

ARTICLE XXIV.
GOVERNING LAW

Section 24.1 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE RULES THEREOF RELATING TO CONFLICTS OF LAW OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS AND REMEDIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS, EXCEPT TO THE EXTENT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR THE REMEDIES HEREUNDER, ARE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, MBC and the Secured Party have caused this Agreement to be duly executed and delivered by their officers thereunto duly authorized as of the date first above written.

MANHATTAN BRIDGE CAPITAL, INC.

By: /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

WORLDWIDE STOCK TRANSFER, LLC,
not in its individual capacity but solely as Indenture Trustee

By: /s/ Yonah J. Kopstick
Name: Yonah J. Kopstick
Title: SVP

Signature Page to the Pledge Agreement

AMENDMENT NO. 2
TO
CREDIT AND SECURITY AGREEMENT

THIS AMENDMENT NO. 2 (this “Amendmen t”) is entered into as of April 25, 2016, by and among MANHATTAN BRIDGE CAPITAL, INC., a New York corporation (“Borrower”), the Subsidiary Guarantors signatory hereto (collectively with Borrower, each a “Loan Party” and collectively, the “Loan Parties”) and WEBSTER BUSINESS CREDIT CORPORATION (“Lender”).

BACKGROUND

Loan Parties and Lender are parties to a Credit and Security Agreement dated as of February 27, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) pursuant to which Lender provides Loan Parties with certain financial accommodations.

Borrower intends to form a wholly-owned subsidiary for the purpose of selling up to \$9,990,000 aggregate principal amount of senior secured notes pursuant to the Permitted Bond Indenture (as defined below) in a registered public offering underwritten by Aegis Capital Corp. (“Aegis”). The offer and sale of the senior secured notes was consented to by Lender pursuant to that certain consent letter dated November 24, 2015 (the “Consent Agreement”). In the Consent Agreement, Lender agreed to (i) release its security interest in certain Collateral; and (ii) make certain amendments to the Credit Agreement prior to the issuance of the senior secured notes. This Amendment shall effect items (i) and (ii) above on the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of each Loan Party by Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Credit Agreement.
2. Amendment to Credit Agreement. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Credit Agreement is hereby amended as follows:

(a) Section 4.3 is hereby amended by (i) adding an “(a)” before the text thereof (such that the text currently in the Loan Agreement is subsection (a) of Section 4.3); and (ii) adding new subsections (b), (c) and (d) which provide as follows:

“(b) In the event that Borrower notifies Lender that it is anticipating a sale by Borrower of a Mortgage Note and the assignment of the associated Mortgage Loan and other Mortgage Loan Documents to Bond Subsidiary in accordance with Section 7.11(v) hereof and upon satisfaction of each of the requirements thereof, including, without limitation, the Sale Conditions, Lender shall forward the applicable Mortgage Note and associated Mortgage Loan Documents endorsed back to the applicable Loan Party, together with the reassignment to Borrower of the related Mortgage File and any collateral securing such Mortgage Note (collectively, the “Transferred Mortgage File”). In the event such Transferred Mortgage File is not sold and assigned to Bond Subsidiary within fifteen (15) Business Days after receipt by Borrower of such Transferred Mortgage File, Borrower shall re-endorse to and return to Lender, such Transferred Mortgage File.

(c) In the event that Borrower notifies Lender that it intends to exchange a Mortgage Note and the associated Mortgage Loan and other Mortgage Loan Documents held by Borrower with a Mortgage Note and the associated Mortgage Loans and other Mortgage Loan Documents held by Bond Subsidiary in accordance with Section 7.11(vi) hereof and upon satisfaction of each of the requirements thereof, including, without limitation, the Exchange Conditions, Lender shall forward the applicable Transferred Mortgage File in the manner provided in Section 4.3(b) hereof. In the event such Transferred Mortgage File is not exchanged with Bond Subsidiary as provided hereunder within fifteen (15) Business Days after receipt by Borrower of such Transferred Mortgage File, Borrower shall re-endorse to and return to Lender, such Transferred Mortgage File.

(d) With regard to any sales described in Section 4.3(b) or any exchanges described in Section 4.3(c), each Loan Party (and by its acceptance of the Transferred Mortgage File, the Bond Subsidiary) acknowledges and agrees that Lender does not make any oral or written representations, warranties, promises or guarantees whatsoever, whether express or implied, concerning or with regard to, and Lender expressly disclaims any liability or obligation with respect to, concerning or relating to any aspect of the Mortgage Loans or any collateral thereof, including, without limitation, any of the following:

(i) the value, condition or profitability of the Mortgaged Property; (ii) title or ownership to or of the Mortgaged Property, or any portion or part thereof; (iii) governmental laws and any other restrictions applicable to the Mortgaged Property; (iv) claims by third parties against Borrower or any Mortgage Customer; (v) the creditworthiness, financial condition or ability of any Mortgage Customer or any guarantor to fulfill its obligations to pay its respective debts as they mature; (vi) the collectability of the Mortgage Loans; (vii) the legality, validity, sufficiency or enforceability of any of the Mortgage Loan Documents, and (viii) the validity, enforceability, attachment, priority or perfection of any security interest granted pursuant to the Mortgage Loan Documents. Loan Parties (and by its acceptance of the Transferred Mortgage File, the Bond Subsidiary) shall not be entitled to any other materials from Lender, including, but not limited to, materials that are attorney-client privileged, or prepared in connection with anticipated or actual litigation, or otherwise subject to confidentiality agreements, internal memoranda, analysis, ratings or reports prepared by Lender in connection with the Mortgage Loans or the transactions completed by the Credit Agreement. Each Loan Party (and by its acceptance of the Transferred Mortgage File, the Bond Subsidiary) acknowledges that it will have made such examinations, reviews and investigations as it deems necessary or appropriate in making its decision to purchase the Mortgage Loans. Each Loan Party (and by its acceptance of the Transferred Mortgage File, the Bond Subsidiary) has been and will continue to be solely responsible for making its own independent investigation of the Mortgage Loan Documents. Each Loan Party (and by its acceptance of the Transferred Mortgage File, the Bond Subsidiary) further acknowledges and agrees that Lender has not given any investment advice, credit information or opinion on whether the purchase of the Mortgage Customers obligations under the Mortgage Loans is prudent. Each Loan Party (and by its acceptance of the Transferred Mortgage File, the Bond Subsidiary) hereby accepts the Mortgage Loans on an “as is, where is, with all faults” basis, without recourse to Lender and without any representations or warranties. Each Loan Party shall defend and indemnify Lender, and its respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney’s fees, suffered or incurred as a result of or in any way related to the transfer of a Transferred Mortgage Property in accordance with the provisions of Section 16.5 hereof.”

(b) Section 7.2 is hereby amended by adding “or Section 7.11 (as amended hereby)” between “4.3” and “hereof” thereof.

(c) Section 7.4 is hereby amended in its entirety to read as follows:

“7.4 Guarantees. Become liable upon the obligations of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to the Lender, the Bank, the Issuers, or the Lender in connection with this Agreement and the transactions contemplated herein) except (a) guarantees made in the Ordinary Course of Business up to an aggregate amount not exceeding the Materiality Threshold; (b) the endorsement of checks for collection in the Ordinary Course of Business; (c) guarantees made by one Loan Party of the Obligations of another Loan Party or Loan Parties, and (d) the Permitted Bond Subsidiary Guaranty.”

(d) Section 7.5 is hereby amended in its entirety to read as follows:

“7.5 Investments. Purchase or acquire obligations or Equity Interests of, or any other interest in, any Person, including, without limitation the acquisition of all, or substantially all, or any material portion of the assets or Equity Interests of a Person or the assets of (a) any division or line of business of a Person and (b) any partnership or joint venture; provided, however, in Lender’s sole and absolute discretion and so long as (i) there does not exist a Default or Event of Default or a Default or Event of Default would not result therefrom and (ii) such investment is made by no later than April 30, 2016, Borrower may make a one-time investment of up to \$2,000,000 (whether in cash or in other property) in the Bond Subsidiary to consummate a Permitted Bond Transaction (a “Permitted Bond Subsidiary Investment”).”

(e) Section 7.11 is hereby amended by (i) deleting the word “and” immediately before subsection (iv) thereof and (ii) deleting the “.” and adding the following text to the end thereof:

“, (v) sales by Borrower of Mortgage Notes and assignment of the associated Mortgage Loans and other Mortgage Loan Documents to Bond Subsidiary, provided, that, (A) each such sale shall be at the then current outstanding principal amount of the Mortgage Note, (B) all proceeds received by Borrower in respect of such sales shall be applied in repayment of the outstanding Revolving Advances, and (C) both before and after giving effect to each such transaction, no Default or Event of Default shall have occurred and be continuing (the conditions listed in Section 7.11(v)(A) through (C), collectively referred to as the “Sale Conditions”), and (vi) exchanges between Borrower and Bond Subsidiary of Mortgage Notes and associated Mortgage Loans and other Mortgage Loan Documents, provided, that (A) each such exchange is on a dollar for dollar basis, (B) the aggregate outstanding principal amount owing on all Mortgage Notes exchanged by Borrower during any Fiscal Year shall not exceed \$1,000,000; provided, that, in the event the aggregate outstanding principal amount owing on all Mortgage Notes exchanged by Borrower during any Fiscal Year is less than \$1,000,000, then one hundred percent (100%) of the unused amount (the “Carryover Amount”) may be carried over and used in the immediately succeeding Fiscal Year; provided, further, that any Carryover Amount shall be deemed to be the first amount exchanged in such succeeding Fiscal Year, (C) the aggregate outstanding principal amount owing on all Mortgage Notes exchanged by Borrower during the Term shall not exceed \$1,250,000, (D) after the exchange, the sum of (i) the Borrowing Base, minus (ii) the sum of the outstanding amount of Revolving Advances, plus (iii) all amounts due and owing to Loan Parties’ trade creditors which are outstanding beyond normal trade terms, plus (iv) all fees and expenses for which Loan Parties are liable hereunder but which have not been paid or charged to Borrower’s Account shall be greater than \$1,000,000, and (E) both before and after giving effect to each such transaction, no Default or Event of Default shall have occurred and be continuing (the conditions listed in Section 7.11(vi)(A) through (E), collectively referred to as the “Exchange Conditions”).”

follows: (f) Annex One of the Credit Agreement is hereby amended by adding the following definitions in their appropriate order to read as follows:

“Consent Agreement” means that certain consent letter by and between Borrower and Lender, dated November 24, 2015.

“Permitted Bond Subsidiary Guaranty” shall mean that certain Guaranty dated as of April 25, 2016 made by Borrower in favor of the bondholders with respect to the Bond Subsidiary’s obligation under the Permitted Bond Transaction Documentation.

“Permitted Bond Indenture” shall mean that certain Indenture, dated April 25, 2016, by and among the Bond Subsidiary, Borrower and Worldwide Stock Transfer, LLC, as Indenture Trustee.

as follows: (g) Annex One of the Credit Agreement is hereby amended by amending and restating the following definitions in their entirety to read as follows:

“Bond Subsidiary” shall mean MBC Funding II Corp., a wholly owned subsidiary of MBC formed specifically for the purpose of issuing senior secured notes in connection with the Permitted Bond Transaction.

“Permitted Bond Transaction” shall mean the issuance by the Bond Subsidiary of up to \$9,990,000 aggregate principal amount of senior secured notes pursuant to the Permitted Bond Indenture having a rate of interest of not more than six percent (6%) per annum, and a maturity date ten (10) years from the date of issuance.

to read as follows: (h) Subsection (f) of the definition of “Collateral” in Annex One of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“(f) all Equity Interests of each Domestic Subsidiary other than Bond Subsidiary, and sixty-five percent (65%) of the Equity Interests of each Foreign Subsidiary;”

(i) Subsection (k) of the definition of “Permitted Encumbrances” in Annex One of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“(k) Liens upon the Equity Interests of Bond Subsidiary to secure Borrower’s guaranty obligations under the Permitted Bond Transaction and”

(j) Notwithstanding Sections 7.18 and 7.19 of the Credit Agreement, nothing contained in the Credit Agreement shall be construed as prohibiting Borrower from repaying its outstanding short-term indebtedness in the principal amount of \$860,620 provided that the funds used to repay such indebtedness shall first be remitted to Lender and subsequently borrowed as a Revolving Advance under the Credit Agreement.

(k) So long as Bond Subsidiary uses all of the net proceeds from the registered public offering referred to in the “Background” section of this Amendment to purchase Mortgage Notes from Borrower, Borrower will not be in breach of Section 7.11(v) of the Credit Agreement to the extent the net proceeds of the offering are not more than \$1,000,000 less than the gross proceeds of the offering.

3. Release of Certain Collateral. Subject to satisfaction of the conditions precedent set forth in Section 4, Lender hereby releases its security interest and lien on the Collateral set forth on Schedule A attached hereto (the “Released Collateral”), subject to satisfaction of the following conditions: (i) the total value of the Released Collateral shall not exceed \$12,000,000; and (ii) both before and after giving effect to the release of the Released Collateral, Loan Parties shall not be in default of any of the covenants contained in the Credit Agreement. Upon satisfaction of these conditions, Lender’s security interest in the Released Collateral shall automatically terminate and Lender shall do such further reasonable acts and things, all at Loan Parties’ expense, to effect the termination of Lender’s liens upon such Released Collateral. The terms of this provision shall not affect the security interest of the Lender in any property of the Loan Parties other than the Released Collateral.

4. Conditions of Effectiveness. This Amendment shall become effective when each of the following conditions precedent shall have been satisfied:

(a) Lender shall have received a copy of this Amendment executed by each Loan Party with one original executed copy of this Amendment to be promptly delivered by Loan Parties to Lender.

(b) Lender shall have received a Guaranty from the Bond Subsidiary in form and substance satisfactory to Lender.

(c) Lender shall have received a copy of the fully executed Intercreditor Agreement, dated as of the date hereof, by and among Worldwide Stock Transfer, LLC, as Indenture Trustee and Lender, setting forth various rights under the respective guaranties.

(d) Lender shall have obtained definitive copies of the Permitted Bond Transaction Documents.

(e) Lender shall have received payment in respect of its legal fees and expenses.

5. Conditions Subsequent to Effectiveness. Loan Parties shall pay an amendment fee in the amount of \$20,000.00, which fee shall be fully earned and payable on the date of the first issuance of the senior secured notes pursuant to the Permitted Bond Indenture using the proceeds thereof.

6. Representations and Warranties. Each Loan Party hereby represents and warrants as follows:

(a) This Amendment and the Credit Agreement, as amended hereby, constitute legal, valid and binding obligations of each Loan Party and are enforceable against each Loan Party in accordance with their respective terms.

(b) Upon the effectiveness of this Amendment, each Loan Party hereby reaffirms all covenants, representations and warranties made in the Credit Agreement to the extent the same are not amended hereby and agree that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Amendment.

(c) No Event of Default or Default has occurred and is continuing or would exist after giving effect to this Amendment.

(d) No Loan Party has any defense, counterclaim or offset with respect to the Credit Agreement.

(e) The Permitted Bond Transaction complies in all material respects with the terms and conditions set forth on Schedule A to the Consent Agreement except that Lender acknowledges that (i) in the description under "Amortization", "quarterly" should be changed to "monthly" and (ii) in the description under "Market Trading", "Nasdaq Global Market" should be changed to "NYSE MKT".

7. Covenant Regarding Permitted Bond Transaction Documentation. Borrower hereby agrees that until the satisfaction in full of the Obligations and termination of the Credit Agreement, Borrower shall not permit the Bond Subsidiary to amend, supplement, modify or restate the terms of the Permitted Bond Transaction Documentation in a manner that either (a) increases the interest rate above seven percent (7%), excluding the imposition of the default rate of interest; (b) extends the stated maturity; or (c) increases the outstanding aggregate principal amount of the senior secured notes issued pursuant to the Permitted Bond Transaction Documentation.

8. Effect on the Credit Agreement.

(a) Upon the effectiveness of Section 2 hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended herein, the Credit Agreement, and all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Lender, nor constitute a waiver of any provision of the Credit Agreement, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith.

9. Release. Each of the Loan Parties on behalf of itself and its successors, assigns, and other legal representatives, hereby, (a) jointly and severally, absolutely, unconditionally and irrevocably releases, remises and forever discharges Lender, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives and their respective successors and assigns (Lender and all such other parties being hereinafter referred to collectively as the “Releasees” and individually as a “Releasee”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a “Claim” and collectively, “Claims”) of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, whether liquidated or unliquidated, matured or unmatured, asserted or unasserted, fixed or contingent, foreseen or unforeseen and anticipated or unanticipated, which each of the Loan Parties, or any of their respective successors, assigns, or other legal representatives and their successors and assigns may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any nature, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment, in relation to, or in any way in connection with the Credit Agreement, as amended and supplemented through the date hereof, this Amendment, the Other Documents or the release of the Released Collateral; (b) understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release; (c) agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final and unconditional nature of the release set forth above and nothing contained herein shall constitute an admission of liability with respect to any Claim on the part of any Releasee; and (d) jointly and severally, absolutely, unconditionally and irrevocably, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by any of the Loan Parties pursuant to this Paragraph 8. If any Loan Party violates the foregoing covenant, Loan Parties, jointly and severally, agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

10. Governing Law. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the State of New York.

11. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

12. Counterparts; Facsimile. This Amendment may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by .pdf or facsimile transmission shall be deemed to be an original signature hereto.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first written above.

"BORROWER"

MANHATTAN BRIDGE CAPITAL, INC.

By: /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

"SUBSIDIARY GUARANTOR"

DAG FUNDING SOLUTIONS, INC.

By: /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

WEBSTER BUSINESS CREDIT CORPORATION

By: /s/ Leo Goldstein

Name: Leo Goldstein

Title: Vice President

Signature Page to Amendment No. 2

SCHEDULE A

Released Collateral

All of Borrower's right, title and interest in and to (i) all of the outstanding common shares, par value \$.001 per share, of the Bond Subsidiary; and (ii) the Mortgage Loans sold and to be sold by Borrower to the Bond Subsidiary pursuant to the Asset Purchase Agreement, dated as of April 25, 2016, as amended, supplemented or otherwise modified from time to time, between Borrower and the Bond Subsidiary, including with respect to such Mortgage Loans, all of Borrower's right, title and interest in, to and under each of the following items of property, whether now owned or hereafter acquired, now existing or hereafter created and wherever located: (a) the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral (the "Mortgaged Property") securing repayment of the debt evidenced by a promissory note or other evidence of the indebtedness of an obligor with respect to a Mortgage Loan (the "Mortgage Note"); (b) the original executed Mortgage Note bearing all intervening endorsements, duly endorsed to Borrower; (c) the original Mortgage(s) securing each Mortgage Note with evidence of recording thereon or copies certified by the related recording office;

(d) the original assignments, if any, executed in connection with such Mortgage(s); (e) any original stock certificates (accompanied by applicable stock powers), instruments, chattel paper or other collateral securing the Mortgage Loan; (f) all mortgage guaranties and insurance (issued by governmental agencies or otherwise) and any mortgage insurance certificate or other document evidencing such mortgage guaranties or insurance relating and all claims and payments thereunder; (g) all other insurance policies and insurance proceeds relating to the Mortgage Loan or the related Mortgaged Property, including the lender's title policy and evidence of property/casualty insurance coverage; (h) all "general intangibles", "accounts" and "chattel paper" as defined in the New York State Uniform Commercial Code relating to or constituting any and all of the foregoing; (i) all other documents instruments, surveys, legal opinions, certificates, correspondence, valuations, appraisals, computer programs, computer storage media, accounting records and other books and records relating thereto; (j) any Receivable (as defined in the Credit and Security Agreement dated as of February 27, 2015, as amended, supplemented or otherwise modified from time to time (the "Credit Agreement"), between Borrower and Lender), resulting from and reflecting an amount due under a Mortgage Note described in clause (b) above; (k) the Mortgage Loan Documents (as defined in the Credit Agreement) relating to the Mortgage Loan, other than any document prepared by Lender or for the benefit of Lender by third parties; (l) any and all replacements, substitutions, distributions on or proceeds of any and all of the foregoing. Initially, Borrower is transferring to the Bond Subsidiary the following Mortgage Loans:

List of Excluded Mortgage Loans

MBC Loan # 218 Loan Amount: \$250,000 Property: 1370 Bushwick Avenue, Brooklyn NY Guarantor(s): Eitan Peretz /RobertMichaeli/Nadav Hamo	MBC Loan # 405 Loan Amount: \$210,000 + \$50,000 Property: 1483 East 53rd Street, Brooklyn NY Guarantor(s): Leonard Galper
MBC Loan # 235 Loan Amount: \$1,000,000 Property: 300 Great Neck Road, Great Neck NY Guarantor(s): Yossef Boniel / Shelly Boniel	MBC Loan # 406 Loan Amount: \$370,000 Property: 131-25 220th Street, Queens NY Guarantor(s): Yuval Harosh
MBC Loan # 239 Loan Amount: \$500,000 Property: 1237 Eastern Parkway, Brooklyn NY Guarantor(s): Yehuda Cohen	MBC Loan # 407 Loan Amount: \$72,500 Property: 105 Palisades Avenue, Yonkers NY Guarantor(s): Michael Yehounatan / Ariel Sholomov
MBC Loan # 265 Loan Amount: \$265,000 Property: 215 Highland Blvd, Brooklyn NY Guarantor(s): Shlomi Ohayon	MBC Loan # 408 Loan Amount: \$550,000 + \$100,000 Property: 696A Lexington Avenue, Brooklyn NY Guarantor(s): Eran Malka
MBC Loan # 289 Loan Amount: \$750,000 + \$300,000 Property: 67 Jefferson Avenue, Brooklyn NY Guarantor(s): Shay Zach / Peleg Neev	MBC Loan # 412 Loan Amount: \$580,000 Property: 343 Winthrop Street, Brooklyn NY Guarantor(s): Yuval Harosh
MBC Loan # 351	MBC Loan # 416

252540/234-5985074.5

Loan Amount: \$370,000 Property: 647 New Jersey Avenue, Brooklyn NY Guarantor(s): Rachel Surizon	Loan Amount: \$355,000 Property: 903 Pine Street, Brooklyn NY Guarantor(s): Abraham Zagai
MBC Loan # 394 Loan Amount: \$450,000 Property: 156-12 107 Avenue (Unit 1,2,3) & 156-14 107 Avenue (Unit 2,3), Jamaica NY Guarantor(s): Itzhak Maman	MBC Loan # 430 Loan Amount: \$110,000 Property: 1276 Givan Avenue, Bronx NY
MBC Loan # 399 Loan Amount: \$300,000 Property: 1460 East Gun Hill Road, Bronx NY Guarantor(s): Eli Weissman	MBC Loan # 431 Loan Amount: \$150,000 Property: 90 Rosedale Rd., Valley Stream NY
MBC Loan # 402 Loan Amount: \$400,000 Property: 381 Jefferson Avenue, Brooklyn NY Guarantor(s): Itzhak Maman / Avi Shevah	MBC Loan # 433 Loan Amount: \$110,000 Properties: 30 Liberty St. Patchogue NY & 35 Maple Avenue, Shirley NY

GUARANTY
(Corporate)

New York, New York

April 25, 2016

FOR VALUE RECEIVED, and in consideration of loans made or to be made or credit otherwise extended or to be extended by WEBSTER BUSINESS CREDIT CORPORATION (“Lender”) to or for the account of MANHATTAN BRIDGE CAPITAL, INC. (“MBC”) and each other person which now or hereafter becomes a Borrower under the Credit Agreement (as defined below) (MBC and such other persons, each a “Borrower” and collectively, “Borrowers”) from time to time and at any time and for other good and valuable consideration and to induce Lender, in its discretion, to make such loans or extensions of credit and to make or grant such renewals, extensions, releases of collateral or relinquishments of legal rights as Lender may deem advisable, the undersigned (and each of them if more than one, the liability under this Guaranty being joint and several) (jointly and severally referred to as “Guarantor” or “the undersigned”) unconditionally guaranties to Lender, its successors, endorsees and assigns the prompt payment when due (whether by acceleration or otherwise) of all present and future obligations and liabilities of any and all kinds of Borrowers to Lender and of all instruments of any nature evidencing or relating to any such obligations and liabilities upon which any Borrower or one or more parties and any Borrower is or may become liable to Lender, whether incurred by any Borrower as maker, endorser, drawer, acceptor, guarantor, accommodation party or otherwise, and whether due or to become due, secured or unsecured, absolute or contingent, joint or several, and however or whenever acquired by Lender, whether arising under, out of, or in connection with that certain Credit and Security Agreement dated as of February 27, 2015 among Lender, Borrowers and the other Loan Parties (as defined therein) (as amended, modified, restated or supplemented from time to time, the “Credit Agreement”); capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Credit Agreement) or any documents, instruments or agreements relating to or executed in connection with the Credit Agreement or any documents, instruments or agreements referred to therein (together with the Credit Agreement, as each may be amended, modified, restated or supplemented from time to time, the “Loan Documents”), or otherwise (all of which are herein collectively referred to as the “Obligations”), and irrespective of the genuineness, validity, regularity or enforceability of such Obligations, or of any instrument evidencing any of the Obligations or of any collateral therefor or of the existence or extent of such collateral, and irrespective of the allowability, allowance or disallowance of any or all of the Obligations in any case commenced by or against any Borrower under Title 11, United States Code, including, without limitation, obligations or indebtedness of any Borrower for post-petition interest, fees, costs and charges that would have accrued or been added to the Obligations but for the commencement of such case. In furtherance of the foregoing, the undersigned hereby agrees as follows:

1. No Impairment. Lender may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the undersigned, extend the time of payment of, exchange or surrender any collateral for, renew or extend any of the Obligations or increase or decrease the interest rate thereon, and may also make any agreement with any Borrower or with any other party to or person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between Lender and any Borrower or any such other party or person, or make any election of rights Lender may deem desirable under the United States Bankruptcy Code, as amended, or any other federal or state bankruptcy, reorganization, moratorium or insolvency law relating to or affecting the enforcement of creditors' rights generally (any of the foregoing, an "Insolvency Law") without in any way impairing or affecting this Guaranty. This instrument shall be effective regardless of the subsequent incorporation, merger or consolidation of any Borrower, or any change in the composition, nature, personnel or location of any Borrower and shall extend to any successor entity to such Borrower, including a debtor in possession or the like under any Insolvency Law.

2. Guaranty Absolute. The undersigned guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Agreement and/or any other document, instrument or agreement creating or evidencing the Obligations, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of Borrowers with respect thereto. Guarantor hereby knowingly accepts the full range of risk encompassed within a contract of "continuing guaranty" which risk includes the possibility that Borrowers will contract additional indebtedness for which Guarantor may be liable hereunder after Borrowers' financial condition or ability to pay their lawful debts when they fall due has deteriorated, whether or not Borrowers have properly authorized incurring such additional indebtedness. The undersigned acknowledges that (i) no oral representations, including any representations to extend credit or provide other financial accommodations to Borrowers, have been made by Lender to induce the undersigned to enter into this Guaranty and (ii) any extension of credit to the Borrowers shall be governed solely by the provisions of the Credit Agreement. The liability of the undersigned under this Guaranty shall be absolute and unconditional, in accordance with its terms, and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (a) any waiver, indulgence, renewal, extension, amendment or modification of or addition, consent or supplement to or deletion from or any other action or inaction under or in respect of the Loan Documents or any other instruments or agreements relating to the Obligations or any assignment or transfer of any thereof, (b) any lack of validity or enforceability of any Loan Document or other documents, instruments or agreements relating to the Obligations or any assignment or transfer of any thereof, (c) any furnishing of any additional security to Lender or its assignees or any acceptance thereof or any release of any security by Lender or its assignees, (d) any limitation on any party's liability or obligation under the Loan Documents or any other documents, instruments or agreements relating to the Obligations or any assignment or transfer of any thereof or any invalidity or unenforceability, in whole or in part, of any such document, instrument or agreement or any term thereof, (e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Borrower, or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding, whether or not the undersigned shall have notice or knowledge of any of the foregoing, (f) any exchange, release or nonperfection of any collateral, or any release, or amendment or waiver of or consent to departure from any guaranty or security, for all or any of the Obligations or (g) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the undersigned. Any amounts due from the undersigned to Lender shall bear interest until such amounts are paid in full at the highest rate then applicable to the Obligations. Obligations include post-petition interest whether or not allowed or allowable.

3. Waivers. (a) This Guaranty is a guaranty of payment and not of collection. Lender shall be under no obligation to institute suit, exercise rights or remedies or take any other action against any Borrower or any other person liable with respect to any of the Obligations or resort to any collateral security held by it to secure any of the Obligations as a condition precedent to the undersigned being obligated to perform as agreed herein and Guarantor hereby waives any and all rights which it may have by statute or otherwise which would require Lender to do any of the foregoing. Guarantor further consents and agrees that Lender shall be under no obligation to marshal any assets in favor of Guarantor, or against or in payment of any or all of the Obligations. The undersigned hereby waives all suretyship defenses and any rights to interpose any defense, counterclaim or offset of any nature and description which the undersigned may have or which may exist between and among Lender, any Borrower and/or the undersigned with respect to the undersigned's obligations under this Guaranty, or which any Borrower may assert on the underlying debt, including but not limited to failure of consideration, breach of warranty, fraud, payment (other than cash payment in full of the Obligations), statute of frauds, bankruptcy, infancy, statute of limitations, accord and satisfaction, and usury.

(b) The undersigned further waives (i) notice of the acceptance of this Guaranty, of the making of any such loans or extensions of credit, and of all notices and demands of any kind to which the undersigned may be entitled, including, without limitation, notice of adverse change in any Borrower's financial condition or of any other fact which might materially increase the risk of the undersigned and (ii) presentment to or demand of payment from anyone whomsoever liable upon any of the Obligations, protest, notices of presentment, non-payment or protest and notice of any sale of collateral security or any default of any sort.

(c) Notwithstanding any payment or payments made by the undersigned hereunder, or any setoff or application of funds of the undersigned by Lender, the undersigned shall not be entitled to be subrogated to any of the rights of Lender against any Borrower or against any collateral or guarantee or right of offset held by Lender for the payment of the Obligations, nor shall the undersigned seek or be entitled to seek any contribution or reimbursement from any Borrower in respect of payments made by the undersigned hereunder, until all amounts owing to Lender by Borrowers on account of the Obligations are paid in full and the Credit Agreement has been terminated. If, notwithstanding the foregoing, any amount shall be paid to the undersigned on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full and the Credit Agreement shall not have been terminated, such amount shall be held by the undersigned in trust for Lender, segregated from other funds of the undersigned, and shall forthwith upon, and in any event within two (2) business days of, receipt by the undersigned, be turned over to Lender in the exact form received by the undersigned (duly endorsed by the undersigned to Lender, if required), to be applied against the Obligations, whether matured or unmatured, in such order as Lender may determine, subject to the provisions of the Credit Agreement. Any and all present and future debts and obligations of any Borrower to any of the undersigned are hereby waived and postponed in favor of, and subordinated to the full payment and performance of, all present and future debts and obligations of Borrowers to Lender.

4. Reserved.

5. Representations and Warranties. The undersigned hereby represents and warrants (all of which representations and warranties shall survive until all Obligations are indefeasibly satisfied in full and the Credit Agreement has been irrevocably terminated), that:

(a) Corporate Status. The undersigned is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has full power, authority and legal right to own its property and assets and to transact the business in which it is engaged.

(b) Authority and Execution. The undersigned has full power, authority and legal right to execute and deliver, and to perform its obligations under, this Guaranty and has taken all necessary corporate and legal action to authorize the execution, delivery and performance of this Guaranty.

(c) Legal, Valid and Binding Character. This Guaranty constitutes the legal, valid and binding obligation of the undersigned enforceable in accordance with its terms, except as enforceability may be limited by applicable Insolvency Law.

(d) Violations. The execution, delivery and performance of this Guaranty will not violate any requirement of law applicable to the undersigned or any material contract, agreement or instrument to which the undersigned is a party or by which the undersigned or any property of the undersigned is bound or result in the creation or imposition of any mortgage, lien or other encumbrance other than to Lender on any of the property or assets of the undersigned pursuant to the provisions of any of the foregoing.

(e) Consents or Approvals. No consent of any other person or entity (including, without limitation, any creditor of the undersigned) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty.

(f) Litigation. No litigation, arbitration, investigation or administrative proceeding of or before any court, arbitrator or governmental authority, bureau or agency is currently pending or, to the best knowledge of the undersigned, threatened (i) with respect to this Guaranty or any of the transactions contemplated by this Guaranty or (ii) against or affecting the undersigned, or any of property or assets of the undersigned, which, if adversely determined, would have a material adverse effect on the business, operations, assets or condition, financial or otherwise, of the undersigned.

(g) Material Adverse Change. Since December 31, 2015, there has been no material adverse change in the assets or condition, financial or otherwise, of the undersigned.

(h) Financial Benefit. The undersigned has derived or expects to derive a financial or other advantage from each and every loan, advance or extension of credit made under the Credit Agreement or other Obligation incurred by Borrowers to Lender.

The foregoing representations and warranties shall be deemed to have been made by the undersigned on the date of each borrowing by any Borrower under the Credit Agreement on and as of such date of such borrowing as though made hereunder on and as of such date.

6. Acceleration. (a) If any breach of any covenant or condition or other event of default shall occur and be continuing under any agreement made by any Borrower or the undersigned to Lender, or either any Borrower or the undersigned should at any time become insolvent, or make a general assignment, or if a proceeding in or under any Insolvency Law shall be filed or commenced by, or in respect of, the undersigned, or if a notice of any lien, levy, or assessment is filed of record with respect to any assets of the undersigned by the United States of America or any department, agency, or instrumentality thereof, or if any taxes or debts owing at any time or times hereafter to any one of them becomes a lien or encumbrance upon any assets of the undersigned in Lender's possession, or otherwise, any and all Obligations shall for purposes hereof, at Lender's option, be deemed due and payable without notice notwithstanding that any such Obligation is not then due and payable by Borrowers.

(b) The undersigned will promptly notify Lender of any default by the undersigned in the performance or observance of any term or condition of any agreement to which the undersigned is a party if the effect of such default is to cause, or permit the holder of any obligation under such agreement to cause, such obligation to become due prior to its stated maturity and, if such an event occurs, Lender shall have the right to accelerate the undersigned's obligations hereunder.

7. Payments from Guarantor. Lender, in its sole and absolute discretion, with or without notice to the undersigned, may apply on account of the Obligations any payment from the undersigned or any other guarantor, or amounts realized from any security for the Obligations, or may deposit any and all such amounts realized in a non-interest bearing cash collateral deposit account to be maintained as security for the Obligations.

8. Costs. The undersigned shall pay on demand, all costs, fees and expenses (including expenses for legal services of every kind) relating or incidental to the enforcement or protection of the rights of Lender hereunder or under any of the Obligations.

9. No Termination. This is a continuing irrevocable guaranty and shall remain in full force and effect and be binding upon the undersigned, and the undersigned's successors and assigns, until all of the Obligations have been paid in full and the Credit Agreement has been irrevocably terminated. If any of the present or future Obligations are guaranteed by persons, partnerships or corporations in addition to the undersigned, the death, release or discharge in whole or in part or the bankruptcy, merger, consolidation, incorporation, liquidation or dissolution of one or more of them shall not discharge or affect the liabilities of the undersigned under this Guaranty.

10. Recapture. Anything in this Guaranty to the contrary notwithstanding, if Lender receives any payment or payments on account of the liabilities guaranteed hereby, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver, or any other party under any Insolvency Law, common law or equitable doctrine, then to the extent of any sum not finally retained by Lender, the undersigned's obligations to Lender shall be reinstated and this Guaranty shall remain in full force and effect (or be reinstated) until payment shall have been made to Lender, which payment shall be due on demand.

11. Books and Records. The books and records of Lender showing the account between Lender and Borrowers shall be admissible in evidence in any action or proceeding, shall be binding upon the undersigned for the purpose of establishing the items therein set forth and shall constitute prima facie proof thereof.

12. No Waiver. No failure on the part of Lender to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Lender of any right, remedy or power hereunder preclude any other or future exercise of any other legal right, remedy or power. Each and every right, remedy and power hereby granted to Lender or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Lender at any time and from time to time.

13. Waiver of Jury Trial. THE UNDERSIGNED DOES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR WITH RESPECT TO THIS GUARANTY OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR RELATING OR INCIDENTAL HERETO. THE UNDERSIGNED DOES HEREBY CERTIFY THAT NO REPRESENTATIVE OR AGENT OF LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

14. Governing Law; Jurisdiction; Amendments. THIS INSTRUMENT CANNOT BE CHANGED OR TERMINATED ORALLY, AND SHALL BE GOVERNED, CONSTRUED AND INTERPRETED AS TO VALIDITY, ENFORCEMENT AND IN ALL OTHER RESPECTS IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE UNDERSIGNED EXPRESSLY CONSENTS TO THE JURISDICTION AND VENUE OF THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR ALL PURPOSES IN CONNECTION HEREWITH. ANY JUDICIAL PROCEEDING BY THE UNDERSIGNED AGAINST LENDER INVOLVING, DIRECTLY OR INDIRECTLY ANY MATTER OR CLAIM IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED HEREWITH SHALL BE BROUGHT ONLY IN THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. THE UNDERSIGNED FURTHER CONSENTS THAT ANY SUMMONS, SUBPOENA OR OTHER PROCESS OR PAPERS (INCLUDING, WITHOUT LIMITATION, ANY NOTICE OR MOTION OR OTHER APPLICATION TO EITHER OF THE AFOREMENTIONED COURTS OR A JUDGE THEREOF) OR ANY NOTICE IN CONNECTION WITH ANY PROCEEDINGS HEREUNDER, MAY BE SERVED INSIDE OR OUTSIDE OF THE STATE OF NEW YORK OR THE SOUTHERN DISTRICT OF NEW YORK BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY PERSONAL SERVICE PROVIDED A REASONABLE TIME FOR APPEARANCE IS PERMITTED, OR IN SUCH OTHER MANNER AS MAY BE PERMISSIBLE UNDER THE RULES OF SAID COURTS. THE UNDERSIGNED WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED HEREON AND SHALL NOT ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE OR BASED UPON FORUM NON CONVENIENS.

15. Severability. To the extent permitted by applicable law, any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Amendments, Waivers. No amendment or waiver of any provision of this Guaranty nor consent to any departure by the undersigned therefrom shall in any event be effective unless the same shall be in writing executed by the undersigned and Lender.

17. Notice. All notices, requests and demands to or upon the undersigned, shall be in writing and shall be deemed to have been duly given or made (a) when delivered, if by hand, (b) three (3) days after being sent, postage prepaid, if by registered or certified mail, (c) when confirmed electronically, if by facsimile, or (d) when delivered, if by a recognized overnight delivery service in each event, to the numbers and/or address set forth beneath the signature of the undersigned.

18. Successors. Lender may, from time to time, without notice to the undersigned, sell, assign, transfer or otherwise dispose of all or any part of the Obligations and/or rights under this Guaranty. Without limiting the generality of the foregoing, Lender may assign, or grant participations to, one or more banks, financial institutions or other entities all or any part of any of the Obligations. In each such event, Lender, its Affiliates and each and every immediate and successive purchaser, assignee, transferee or holder of all or any part of the Obligations shall have the right to enforce this Guaranty, by legal action or otherwise, for its own benefit as fully as if such purchaser, assignee, transferee or holder were herein by name specifically given such right. Lender shall have an unimpaired right to enforce this Guaranty for its benefit with respect to that portion of the Obligations which Lender has not disposed of, sold, assigned, or otherwise transferred.

19. Release. Nothing except cash payment in full of the Obligations shall release the undersigned from liability under this Guaranty.

20. Intercreditor Agreement. Notwithstanding anything contained in this Guaranty to the contrary, including, but not limited to Sections 4 and 6 hereof, Lender's rights under this Guaranty shall at all time be subject to the terms and conditions set forth in that certain Intercreditor Agreement, dated the date hereof, between Lender and Worldwide Stock Transfer, LLC ("Worldwide"), in its capacity as the Indenture Trustee with respect to the senior secured notes to be issued by Guarantor pursuant to the Indenture, dated as the date hereof, among Guarantor, Borrower and Worldwide.

21. Negative Pledge. Until the full and final satisfaction of the Obligations and termination of the Credit Agreement, Guarantor shall not consent to the creation, incurrence, assumption, sufferance or existence of any mortgage, security interest, lien or encumbrance on any of its assets other than to the indenture trustee under the Permitted Bond Transaction Documentation.

22. Covenant Regarding Permitted Bond Transaction Documentation. Until the full and final satisfaction of the Obligations and termination of the Credit Agreement, Guarantor shall not amend, supplement, modify or restate the terms of the Permitted Bond Transaction Documentation in a manner that either (a) increases the interest rate above seven percent (7%), excluding the imposition of the default rate of interest; (b) extends the stated maturity; or (c) increases the outstanding aggregate principal amount of the senior secured notes issued pursuant to the Permitted Bond Transaction Documentation.

23. Transferred Mortgage Files. With regard to any Mortgage Files purchased by or transferred to Guarantor pursuant to Sections 4.3(b), 4.3(c), 7.11(v) or 7.11(vi) of the Credit Agreement, Guarantor acknowledges and agrees that Lender does not make any oral or written representations, warranties, promises or guarantees whatsoever, whether express or implied, concerning or with regard to, and Lender expressly disclaims any liability or obligation with respect to, concerning or relating to any aspect of the Mortgage Loans or any collateral thereof, including, without limitation, any of the following: (i) the value, condition or profitability of the Mortgaged Property; (ii) title or ownership to or of the Mortgaged Property, or any portion or part thereof; (iii) governmental laws and any other restrictions applicable to the Mortgaged Property; (iv) claims by third parties against Borrower or any Mortgage Customer; (v) the creditworthiness, financial condition or ability of any Mortgage Customer or any guarantor to fulfill its obligations to pay its respective debts as they mature; (vi) the collectability of the Mortgage Loans; (vii) the legality, validity, sufficiency or enforceability of any of the Mortgage Loan Documents, and (viii) the validity, enforceability, attachment, priority or perfection of any security interest granted pursuant to the Mortgage Loan Documents. Guarantor shall not be entitled to any other materials from Lender, including, but not limited to, materials that are attorney-client privileged, or prepared in connection with anticipated or actual litigation, or otherwise subject to confidentiality agreements, internal memoranda, analysis, ratings or reports prepared by Lender in connection with the Mortgage Loans or the transactions completed by the Credit Agreement. Guarantor acknowledges that it will have made such examinations, reviews and investigations as it deems necessary or appropriate in making its decision to purchase the Mortgage Loans. Guarantor has been and will continue to be solely responsible for making its own independent investigation of the Mortgage Loan Documents. Guarantor further acknowledges and agrees that Lender has not given to Guarantor any investment advice, credit information or opinion on whether the purchase of the Mortgage Customers obligations under the Mortgage Loans is prudent. Guarantor hereby accepts the Mortgage Loans on an “as is, where is, with all faults” basis, without recourse to Lender and without any representations or warranties. Guarantor covenants and agrees that it not will assert any claims against Lender relating to the Mortgage Loans and Mortgage Files transferred to it pursuant to Sections 4.3(b), 4.3(c), 7.11(v) or 7.11(vi) of the Credit Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Guaranty has been executed by the undersigned as of the date set forth above.

MBC FUNDING II CORP.

By: /s/ Assaf Ran

Assaf Ran

Chief Executive Officer

Address: 60 Cutter Mill Road, Suite 205
Great Neck, New York 11201

Telephone: _____

Facsimile: _____

STATE OF NEW YORK

)

); ss.:

COUNTY OF NEW YORK

)

On the 21st day of April 2016, before me personally came Assaf Ran to me known, who being by me duly sworn, did did depose and say s/he is the President of the corporation described in and which executed the foregoing instrument; and that she signed her/his name thereto by order of the board of directors of said corporation.

/s/ Stephen A. Zelnick

Notary Public

[NOTARY PUBLIC SEAL STAMP]

Signature Page to Guaranty (Corporate)

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of 25th day of April, 2016 (this "Agreement"), is among Worldwide Stock Transfer, LLC (the "Indenture Trustee") and Webster Business Credit Corporation ("Webster").

RECITALS

A. Webster made loans and may from time to time make additional loans (collectively, the "Loans") to Manhattan Bridge Capital, Inc. ("Manhattan Bridge"), in an aggregate outstanding principal amount up to \$14,000,000, pursuant to that certain Credit and Security Agreement dated as of February 27, 2015 (as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "Credit Agreement") between Manhattan Bridge and Webster, which Loans are and will be secured by all assets of Manhattan Bridge and DAG Funding Solutions, Inc. ("DAG Funding"), other than the Pledged Collateral (as defined below) (the "Webster Collateral").

B. MBC Funding II Corp. (the "Issuer") is issuing up to \$9,990,000 principal amount of its Senior Secured Notes (the "Notes") pursuant to that certain Indenture dated as of the date hereof (as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "Indenture") among the Issuer, Manhattan Bridge (as Guarantor) and the Indenture Trustee, which Notes and the Issuer's obligations thereunder and under the Indenture and the other documents entered into in connection therewith will be secured by all assets of the Issuer (the "Indenture Collateral").

C. Concurrently with the issuance of the Notes, the Issuer is executing and delivering to Webster that certain Guaranty dated as of the date hereof (as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "the Issuer Guaranty"; the Issuer Guaranty and the Credit Agreement, collectively, the "Loan Documents") pursuant to which the Issuer will guarantee the payment and performance of Manhattan Bridge's obligations to Webster under the Credit Agreement and the documents entered into in connection therewith.

D. Concurrently with the issuance of the Notes, Manhattan Bridge is executing and delivering to the Indenture Trustee that certain Guaranty dated as of the date hereof (as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "MBC Guaranty") pursuant to which Manhattan Bridge will guarantee the payment and performance of the Issuer's obligations to the Indenture Trustee and the holders of the Notes from time to time (the "Noteholders") under the Indenture, the Notes and the other documents entered into in connection therewith (such obligations of the Issuer, the "the Issuer's Obligations").

E. Concurrently with the execution and delivery by Manhattan Bridge of the MBC Guaranty, Manhattan Bridge is executing and delivering to the Indenture Trustee that certain Pledge Agreement made by Manhattan Bridge in favor of the Indenture Trustee (as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "Pledge Agreement"; the Pledge Agreement, the MBC Guaranty, the Notes, the Indenture and the other documents entered into in connection therewith, collectively, the "Indenture Documents") pursuant to which Manhattan Bridge will pledge to the Indenture Trustee, for the benefit of the Indenture Trustee and the Noteholders, 100% of the equity of the Issuer as more particularly describe in the Pledge Agreement (the "Pledged Collateral").

F. The Indenture Trustee and Webster (collectively, the “Secured Parties” and each a “Secured Party”) are entering into this Agreement to set forth their rights with respect to the MBC Guaranty, the Pledge Agreement, the Issuer Guaranty and the respective collateral held by the Indenture Trustee and Webster.

NOW, THEREFORE, in consideration of the premises, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

AGREEMENT

1. Security Interests.

(a) Notwithstanding the terms or provisions of any agreement or arrangement which either the Indenture Trustee or Webster may now or hereafter have with Manhattan Bridge, the Issuer or any other party or any rule of law, and irrespective of the time, order, or method of attachment or perfection of any security interest or the recordation or other filing in any public record, the Indenture Trustee and Webster hereby agree that (i) Webster does not have a security interest in any assets securing the Issuer’s obligations under the Notes and the other Indenture Documents or Manhattan Bridge’s obligations under the MBC Guaranty or the Pledge Agreement and (ii) the Indenture Trustee does not have a security interest in any assets securing Manhattan Bridge’s obligations under the Loans or the Loan Documents, and, in either case, if any such security interest shall exist, Webster or the Indenture Trustee, as the case may be, shall execute and deliver to the other party such documents as such other party may reasonably request to terminate or release any such security interest at the sole cost and expenses of the releasing party.

(b) The Indenture Trustee, for itself and on behalf of each holder of Notes, and Webster, for itself and on behalf of each holder of the Loans, agrees that it shall not (and hereby waives any right to) contest or support any other person in contesting, in any proceeding (including any proceeding under Debtor Relief Laws (as herein defined)), the validity, extent, perfection, priority or enforceability of any lien or security interest held by or on behalf of Webster in the Webster Collateral or by or on behalf of the Indenture Trustee in the Indenture Collateral, respectively.

(c) Webster agrees to, as promptly as practicable, turn or pay over to the Indenture Trustee any amounts that may come into its possession that derive from Indenture Collateral. The Indenture Trustee agrees to, as promptly as practicable, turn or pay over to Webster any amounts that may come into its possession that derive from Webster Collateral. Except as set forth herein, no Secured Party shall have any other duty or obligation of any other nature, including with respect to the attachment or creation of any other party’s security interest or any credit decisions of such other party with respect to Manhattan Bridge, the Issuer or any other obligor under the Credit Agreement or the Notes.

2. Enforcement Rights. Each of the Indenture Trustee and Webster hereby agree that (a) until the Issuer's Obligations shall have been paid in full in cash, Webster shall not take any Enforcement Action (as defined below) with respect to the Issuer Guaranty and (b) until the MBC Obligations shall have been paid in full in cash and all commitments to lend under the Credit Agreement have irrevocably terminated, the Indenture Trustee shall not take any Enforcement Action with respect to the MBC Guaranty, provided, however, that prior to the payment in full in cash of the MBC Obligations, the Indenture Trustee shall be permitted to demand payment under the MBC Guaranty to the extent necessary for the Indenture Trustee to exercise its rights and remedies under the Pledge Agreement to foreclose on its security interest in the Pledged Collateral, it being understood and agreed that until the payment in full in cash of the MBC Obligations and the irrevocable termination of Webster's commitments to lend under the Credit Agreement, the Indenture Trustee and the Noteholders shall have no recourse to Manhattan Bridge other than the Pledged Collateral. For purposes of this Agreement, "Enforcement Action" means, the commencement or prosecution of enforcement of any of the rights and remedies under the Issuer Guaranty or the MBC Guaranty, as applicable, or applicable law, the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies under the United States Bankruptcy Code or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (collectively, the "Debtor Relief Laws"). For purposes of this Agreement, "MBC Obligations" shall mean all Loans and other indebtedness and liabilities under the Credit Agreement, including all principal, interest accruing thereon, charges, expenses and fees thereunder (including all interest, charges, expenses and fees accruing after commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any obligor thereunder), it being agreed that the foregoing shall continue to constitute MBC Obligations notwithstanding the fact that such MBC Obligations or any claim for such MBC Obligations is subordinated, avoided or disallowed under applicable Debtor Relief Laws or other applicable law.

3. Nature of Obligations. The Indenture Trustee, on behalf of itself and the holders of the Notes, acknowledges that the terms of the Credit Agreement may be amended, supplemented, modified, increased, restated, refinanced or replaced from time to time without affecting the provisions hereof, provided that such amendment, supplement, modification, restatement, refinancing or replacement may not contravene the provisions of this Agreement. Webster, on behalf of itself and the other holders of the Loans, acknowledges that the terms of the Indenture Documents may be amended, supplemented, modified, restated, refinanced or replaced from time to time without affecting the provisions hereof, provided that such amendment, supplement, modification, restatement, refinancing or replacement may not contravene the provisions of this Agreement. Notwithstanding the foregoing, no such modification, supplement, extension or amendment of the Loan Documents or the Indenture Documents shall alter or otherwise affect the liens and security interests granted to the Indenture Trustee or Webster or the terms of this Agreement.

4. Covenants and Warranties.

(a) Webster represents and warrants that it is the holder of the liens which secure or will secure the MBC Obligations. Indenture Trustee represents and warrants that it is the holder of the liens which secure or will secure the Issuer's Obligations

(b) Each Secured Party represents and warrants that it is authorized to enter into this Agreement and, to the extent such Secured Party is an agent or trustee for other parties, that this Agreement shall fully bind all such other parties. Each Secured Party further represents and warrants that this Agreement (i) has been duly executed and delivered on its behalf by an authorized officer or other authorized signer and (ii) constitutes the valid and binding obligation of such Secured Party in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity).

(c) Webster not will sell, transfer, pledge, assign, hypothecate, or otherwise dispose of any or all of the Webster Loans except to an assignee or transferee which agrees in a written joinder agreement satisfactory to the Indenture Trustee to become a party to this Agreement and to be bound by the terms hereof.

5. Reliance; Waivers; etc.

(a) Each of Webster and the Indenture Trustee acknowledges and agrees that neither Indenture Trustee nor Webster has made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of the Loan Documents or the Indenture Documents.

(b) No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by Manhattan Bridge or the Issuer with the terms and conditions of any of the Loan Documents or the Indenture Documents.

6. Information Concerning Financial Condition of Manhattan Bridge and the Issuer. The Indenture Trustee and Webster hereby assume responsibility for keeping themselves informed of the financial condition of Manhattan Bridge and the Issuer and all other circumstances bearing upon the risk of nonpayment of the Loans or the Notes. The Indenture Trustee and Webster hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. Other than as required by this Agreement, in the event the Indenture Trustee or Webster, each in its sole discretion, respectively, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

7. Effect of Bankruptcy. This Agreement shall remain in full force and effect notwithstanding the filing of a petition for relief by or against Manhattan Bridge or the Issuer under the Debtor Relief Laws.

8. Waiver of Marshaling. Each party hereto irrevocably waives any right to compel the other party hereto to marshal assets of the Issuer or Manhattan Bridge, as applicable, or any other obligor or guarantor with respect to the Issuer's Obligations or the MBC Obligations.

9. Amendment and Waiver. This Agreement may be amended only by a writing signed by Webster and the Indenture Trustee. No failure to exercise and no delay in exercising any right hereunder shall impair any such right which either Webster or the Indenture Trustee may have, nor shall any waiver by Webster or the Indenture Trustee hereunder be deemed a waiver of any default or breach subsequently occurring. Webster's and the Indenture Trustee's rights and remedies hereunder are cumulative and not exclusive of each other or of any rights or remedies that Webster or the Indenture Trustee would otherwise have.

10. Construction. This Agreement and all agreements relating to the subject matter hereof is the product of negotiation and preparation by and among each party and its attorneys.

11. Benefits of This Agreement. This Agreement is solely for the benefit of and shall bind Webster and the Indenture Trustee and their respective successors and assigns and no other entity shall have any right, benefit, priority, or interest hereunder.

12. Representations and Warranties of Indenture Trustee. Indenture Trustee represents and warrants that pursuant to the terms of the Indenture: (a) Indenture Trustee is authorized to enter into this Agreement and bind each holder of the Issuer's Obligations, including each original Noteholder and each transferee Noteholder; and (b) each holder of the Issuer's Obligations, including each original Noteholder and each transferee Noteholder, shall assume such Issuer's Obligations subject to the rights and obligations of this Agreement.

13. Term. This Agreement shall continue until the first date on which either the MBC Obligations or the Issuer's Obligations are indefeasibly paid in full in cash and Webster's commitments to lend under the Credit Agreement have irrevocably terminated.

14. Notice. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or five (5) days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below, or, as to each party, at such other address as may be designated by such party in a written notice to the other party.

If to the Indenture Trustee:

Worldwide Stock Transfer, LLC
One University Plaza, Suite 505
Hackensack, New Jersey 07601
Attention: Jonathan Gellis
Fax: (201) 755-2597

If to Webster:

Webster Business Credit Corporation
360 Lexington Avenue
New York, New York 10017
Attn: Account Executive – Manhattan Bridge Capital, Inc.
Fax: (212) 806-4530

15. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

16. Submission to Jurisdiction: Waivers.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of any United States Federal Court sitting in the State of New York or New York state court, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such United States Federal Court or New York state court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement, the MBC Obligations or the Issuer's Obligations or any related documents against any of MBC, the Issuer or any other obligors with respect to thereto or any party to such related documents or their respective properties in the courts with subject matter jurisdiction of any other jurisdiction.

(b) Each of the parties hereto hereby irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so any objection they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in subsection (a) above and the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each of the parties hereto hereby irrevocably consent to service of process in the manner provided for notices in Section 13. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.** None of the parties hereto shall seek to consolidate, by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by any of the parties hereto except by a written instrument executed by all of them.

17. Specific Performance. Webster and the Indenture Trustee may demand specific performance of this Agreement. Webster and the Indenture Trustee each hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the other party.

18. Limited Obligations of Manhattan Bridge and the Issuer. Notwithstanding the acknowledgment to this Agreement, neither Manhattan Bridge nor the Issuer shall be deemed to be a party to this Agreement or have any duties or obligations hereunder to the Indenture Trustee or Webster, other than the obligation to not make any payments under their respective guarantees if making such payments would contravene the provisions of this Agreement.

19. Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting this Agreement.

20. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

21. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were upon the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an executed counterpart of the signature page to this Agreement by facsimile or other electronic transmission to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereby acknowledge and agree to the terms of this Agreement, which is duly executed and delivered by their respective officers who are duly authorized as of the date of execution hereof.

WORLDWIDE STOCK TRANSFER, LLC

By: /s/ Yonah J. Kopstick
Name: Yonah J. Kopstick
Title: SVP

WEBSTER BUSINESS CREDIT CORPORATION

By: /s/ Leo Goldstein
Name: Leo Goldstein
Title: Vice President

ACKNOWLEDGED AND AGREED AS PER SECTION 17:

MANHATTAN BRIDGE CAPITAL, INC.

By: /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

MBC FUNDING II CORP.

By: /s/ Assaf Ran
Assaf Ran
Chief Executive Officer

[Signature Page to Intercreditor Agreement]



Contact:
Assaf Ran, CEO
(516) 444-3400
SOURCE: Manhattan Bridge Capital, Inc.

Manhattan Bridge Capital, Inc. Announces Closing of Public Offering of Senior Secured Notes by its Wholly Owned Subsidiary MBC Funding II Corp.

Great Neck, N.Y. April 25, 2016 / GLOBE Newswire -- Manhattan Bridge Capital, Inc. (NASDAQ: LOAN), a “hard money” lender specializing in short-term loans secured by real estate, today announced the closing of its previously announced public offering of \$6,000,000 aggregate principal amount of 6% senior secured notes due April 22, 2016 by its wholly-owned subsidiary, MBC Funding II Corp (NYSE MKT: LOAN/26). Manhattan Bridge Capital is guaranteeing MBC Funding’s obligations under the Notes and pledged 100% of Funding’s equity to secure its obligations under the guarantee. The gross proceeds to Funding from this offering are \$6,000,000, before deducting underwriting discounts and commissions and other estimated offering expenses.

Aegis Capital Corp. acted as the sole book-running manager for the offering.

The offering was made by means of a prospectus. Copies of the final prospectus relating to this offering may be obtained by contacting Aegis Capital Corp., Prospectus Department, 810 Seventh Avenue, 18th Floor, New York, NY 10019, telephone: 212-813- 1010, email: prospectus@aegiscap.com . Investors may also obtain these documents at no cost by visiting the Securities and Exchange Commission’s website at <http://www.sec.gov> .

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Manhattan Bridge Capital, Inc. and MBC Funding II Corp.

Manhattan Bridge Capital, Inc. offers short-term secured, non-banking loans (sometimes referred to as “hard money” loans) to real estate investors to fund their acquisition, renovation, rehabilitation or improvement of properties located in the New York metropolitan area. MBC Funding II Corp. is a wholly-owned subsidiary of Manhattan Bridge Capital. We operate the web site: <http://www.manhattanbridgecapital.com> .

###

[Type here]
