

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) October 1, 2004

THE QUIGLEY CORPORATION
(Exact Name of Registrant as Specified in Charter)

Nevada ----- (State or Other Jurisdiction of Incorporation)	0-21617 ----- (Commission File Number)	23-2577138 ----- (IRS Employer Identification No.)
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Kells Building, 621 Shady Retreat Road, P.O. Box 1349, Doylestown, PA 18901

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (215) 345-0919

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities 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))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

In connection with the closing on October 1, 2004 (the "Closing") of the previously announced purchase by The Quigley Corporation (the "Company") of substantially all of the assets of JOEL, Inc. ("JOEL"), the Company entered into an addendum (the "Addendum") with JOEL to the asset purchase and sale agreement by and between JOEL and the Company dated August 18, 2004 (the "Agreement"). The Addendum primarily sets forth the procedure for determining the allocation of the purchase price among certain assets in the event JOEL elects to question the allocation established by the Company's independent appraisals.

In connection with the Closing, the Company also executed a Term Note dated October 1, 2004 in the amount of \$3.0 million payable to PNC Bank, National Association (the "Note"). As collateral, the Note is secured by (i) an Open-End Mortgage and Security Agreement dated October 1, 2004 on real property located in Lebanon, Pennsylvania (the "Lebanon Mortgage") and (ii) an Open-End Mortgage and Security Agreement dated October 1, 2004 on real property located in Elizabethtown, Pennsylvania (the "Elizabethtown Mortgage").

In addition, concurrently with the Closing, the Company entered into a Registration Rights Agreement with the stockholders of JOEL dated October 1, 2004 (the "Registration Rights Agreement") to register the resale of 113,097 shares of the Company's common stock that were issued to such stockholders (the "Shares"). The Registration Rights Agreement requires the Company to file a registration statement with the Securities and Exchange Commission (the "SEC")

for the resale of the Shares by such stockholders within twenty days of October 1, 2004 and to have such registration statement declared effective within 120 days of October 1, 2004.

On October 1, 2004 and in connection with the Closing, the Company's wholly owned subsidiary, Quigley Manufacturing Inc., entered into (i) an employment agreement with David B. Deck, the former [president] of JOEL, at an annual salary of \$125,000 and (ii) an employment agreement with David Hess, the former [chief operating officer] of JOEL, at an annual salary of \$104,000 (collectively, the "Employment Agreements") for the period from October 1, 2004 through December 31, 2006. The payment and performance of Quigley Manufacturing Inc. under the Employment Agreements is unconditionally and irrevocably guaranteed by the Company.

The foregoing summary of the terms of the Addendum, the Note, the Lebanon Mortgage, the Elizabethtown Mortgage, the Registration Statement and the Employment Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of such agreements, copies of which are attached hereto as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6 and 10.7 and incorporated herein by reference.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

On October 5, 2004, the Company issued a press release announcing it had closed the previously announced purchase of substantially all of the assets of JOEL for approximately \$5.1 million, which includes \$4.1 million in cash and \$1.0 million of the Company's common stock, on October 1, 2004. The transaction was completed pursuant to an asset purchase and sale agreement by and between JOEL and the Company dated August 18, 2004 (the "Agreement") which was

previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 18, 2004 and filed with the Securities and Exchange Commission on August 20, 2004.

The Company funded the \$4.1 million cash portion of the purchase price with proceeds from the Note and through its current working capital. To satisfy the common stock component of the purchase price, the Company issued 113,097 shares of its common stock to the stockholders of JOEL. Pursuant to the Agreement, the number of shares to be issued was determined by the average closing price of the Company's common stock for the period September 23, 2003 to September 23, 2004.

Pursuant to the Agreement, the Company acquired substantially all of the assets of JOEL, including inventory and land, buildings, machinery and equipment of two manufacturing facilities located in Lebanon and Elizabethtown, Pennsylvania.

JOEL is a FDA approved contract manufacturer of lozenges and other candy food products that has been the exclusive manufacturer of the Company's Cold-Eeze(R) Lozenge since its launch in 1995. The terms of the transaction were determined by arms-length negotiations between the Company, JOEL and the stockholders of JOEL.

A copy of the Company's press release announcing the closing of the acquisition of substantially all of the assets of JOEL is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On October 1, 2004, the Company incurred a direct financial obligation in the amount of \$3.0 million payable to PNC Bank, National Association that was used to finance the majority of the cash portion of the purchase price of substantially all of the assets of JOEL. As collateral, the Note is secured by mortgages on real property located in each of Lebanon, Pennsylvania and Elizabethtown, Pennsylvania. Depending on the Company's election of interest rate options for each one, two, three or six month period, the loan bears interest at either the Prime Rate or LIBOR plus 200 basis points. The loan is payable in eighty four equal monthly principal payments of \$35,714 commencing November 1, 2004. Accrued interest is payable monthly under the Prime Rate option or at the end of the one, two, three or six month period elected by the Company for the LIBOR plus 200 basis points option.

The foregoing summary of the terms of the Note, the Lebanon Mortgage and the Elizabethtown Mortgage does not purport to be complete and is qualified in its entirety by reference to the full text of such agreements, copies of which are attached hereto as Exhibits 10.2, 10.3 and 10.4 and incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

It is currently impractical to provide the financial statements required by Rule 3.05 of Regulation S-X. The required financial statements will be filed as soon as they are available, but not later than 71 calendar days after the date on which this Current Report on Form 8-K must be filed.

(b) Pro Forma Financial Information.

It is currently impractical to provide the pro forma financial information required by Article 11 of Regulation S-X. The pro forma financial information will be filed as soon as it is available, but not later than 71 calendar days after the date on which this Current Report on Form 8-K must be filed.

(b) Exhibits.

EXHIBIT NO.	DESCRIPTION
10.1	Addendum dated October 1, 2004 by and between the Company and JOEL to the asset purchase and sale agreement dated August 18, 2004.
10.2	Term Note dated October 1, 2004 in the amount of \$3.0 million executed by the Company in favor of PNC Bank, National Association.
10.3	Open-End Mortgage and Security Agreement dated October 1, 2004 on real property located in Lebanon, Pennsylvania executed by Quigley Manufacturing Inc. in favor of PNC Bank, National Association.
10.4	Open-End Mortgage and Security Agreement dated October 1, 2004 on real property located in Elizabethtown, Pennsylvania executed by Quigley Manufacturing Inc. in favor of PNC Bank, National Association.
10.5	Registration Rights Agreement dated October 1, 2004 by and among the Company and the shareholders signatory thereto.
10.6	Employment Agreement dated October 1, 2004 between Quigley Manufacturing Inc. and David B. Deck.
10.7	Employment Agreement dated October 1, 2004 between Quigley Manufacturing Inc. and David Hess.
99.1	Press Release dated October 5, 2004.

SIGNATURES

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

THE QUIGLEY CORPORATION
(Registrant)

Date: October 7, 2004

By: /s/ George J. Longo

Name: George J. Longo
Title: Vice President and Chief
Financial Officer

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10.6	Employment Agreement dated October 1, 2004 between Quigley Manufacturing Inc. and David B. Deck.
10.7	Employment Agreement dated October 1, 2004 between Quigley Manufacturing Inc. and David Hess.
99.1	Press Release dated October 5, 2004.

ADDENDUM TO ASSET PURCHASE AGREEMENT

This Addendum is made the 1st day of October 2004 by and between THE QUIGLEY CORPORATION ("Buyer") and JOEL, INC. ("Seller") with respect to the Asset Purchase Agreement between the parties dated August 18, 2004 ("APA"):

1. The parties wish to confirm that (i) the entire consideration referenced in section 3.1.2 of the APA is due and payable to Seller, (ii) the shares of Buyer's stock referenced in section 3.1.2 of the APA are being issued to Seller's shareholders directly, at Seller's request, as part of Seller's plan of liquidation, and (iii) Seller will assign its right to receive stock of Buyer to Seller's shareholders on or before the Closing Date.

2. The parties agree to add the following paragraphs collectively as paragraph 3.2.1 to the APA:

3.2.1. Buyer has obtained qualified independent appraisals of land for \$528,000, building and improvements for \$1,342,000, and machinery and equipment including laboratory equipment and office furniture for \$4,086,000. Buyer proposes allocation of purchase price of \$1,318,670 for land, building, and improvements and \$2,881,330 for machinery and equipment as defined above. Inventory remains at \$900,000. The above would constitute the allocation of purchase price based upon Buyer's appraisals under Paragraph 3.2. Buyer shall provide to Seller a memorandum by October 11, 2004 by fax and/or e-mail outlining Buyer's method of allocation of the purchase price. Buyer's memorandum shall include an analysis of the statutes and/or regulations requiring appraisals as a condition of Buyer's acquiring the assets purchased under this Agreement. Buyer shall also provide an analysis of why machinery and equipment is valued on the basis of continued use as opposed to the valuation provided by American Appraisal Associates dated August 19, 2004 and reflecting a valuation amount of \$1,958,000 (liquidation value). Buyer shall also provide an analysis as to the methodology by which real estate was valued under its appraisals, and Buyer will provide an analysis as to why Buyer must use the same valuations for reporting to the Internal Revenue Service as it uses for its Audited Financials as a Public Company under the Securities Exchange Commission Rules and Regulations and the Requirements of the Sarbanes-Oxley Act.

Buyer and Seller agree that at Seller's expense Seller may elect to obtain qualified independent appraisals for land, building and improvements and/or machinery and equipment. Seller's election to obtain such appraisals must be made by October 20, 2004. In the event Seller fails to elect to obtain such appraisals by October 20, 2004, the allocations set forth above will be the final allocations under Paragraph 3.2.

Should Seller at its own expense elect to conduct the appraisals the appraisals must be completed on or before November 22, 2004. If the appraisals vary from the appraisals obtained by Buyer, Buyer's and Seller's appraisers shall meet and determine whether they can agree on valuations for land, building and equipment and machinery and equipment as set forth above by November 29, 2004. If they can agree on such valuations, Seller and Buyer shall be bound by such agreement. In the event that the appraisers cannot agree on such valuations, the appraisers shall appoint a qualified independent appraiser to determine valuations for land, building and/or equipment and machinery. Buyer and Seller agree that the appraisers shall select this third appraiser by October 20, 2004 whose fees and costs will be as follows: \$100.00 by the Seller and the remainder by the Buyer.

The third appraiser shall appraise the assets referenced above and such appraisal shall be completed by November 30, 2004. Buyer and Seller shall be bound by this appraisal in the event that Buyer's and Seller's appraisers referenced in the preceding paragraph fail to agree on valuations.

In the event Buyer does not provide its memorandum to Seller by October 11, 2004, all other dates shall be extended, day for day, by the number of days beyond October 11, 2004, which pass before delivery of the memorandum.

3. The parties agree that the APA shall otherwise remain unchanged and in full force and effect.

THE QUIGLEY CORPORATION

By: /s/ Guy J. Quigley

JOEL, INC.

By: /s/ David B. Deck

TERM NOTE

[GRAPHIC OMITTED]

\$3,000,000

October 1, 2004

FOR VALUE RECEIVED, THE QUIGLEY CORPORATION (the "BORROWER"), with an address at 621 N. Shady Retreat Road, Doylestown, PA 18901, promises to pay to the order of PNC BANK, NATIONAL ASSOCIATION (the "BANK"), in lawful money of the United States of America in immediately available funds at its offices located at 1600 Market Street, Philadelphia, PA 19103, or at such other location as the Bank may designate from time to time, the principal sum of THREE MILLION DOLLARS (\$3,000,000), together with interest accruing on the outstanding principal balance from the date hereof, all as provided below.

1. RATE OF INTEREST. Amounts outstanding under this Note will bear interest at a rate or rates per annum as may be selected by the Borrower from the interest rate options set forth below (each, an "OPTION"):

(i) BASE RATE OPTION. A rate of interest per annum which is at all times equal to the Prime Rate ("BASE RATE"). For purposes hereof, the term "PRIME RATE" shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers. If and when the Prime Rate changes, the rate of interest with respect to any amounts to which the Base Rate Option applies will change automatically without notice to the Borrower, effective on the date of any such change. There are no required minimum interest periods for amounts bearing interest under the Base Rate Option.

(ii) LIBOR OPTION. A rate per annum equal to (A) LIBOR PLUS (B) two hundred (200) basis points (2%), for the applicable LIBOR Interest Period.

For purposes hereof, the following terms shall have the following meanings:

"BUSINESS DAY" shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Philadelphia, Pennsylvania.

"LIBOR" shall mean, with respect to any amount to which the LIBOR Option applies for the applicable LIBOR Interest Period, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/16th of 1%) (i) the rate of interest determined by the Bank in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the eurodollar rate two (2) Business Days prior to the first day of such LIBOR Interest Period for such amount and having a borrowing date and a maturity comparable to such LIBOR Interest Period by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage.

"LIBOR INTEREST PERIOD" shall mean, with respect to any amount to which the LIBOR Option applies, the period of one (1), two (2), three (3) or six (6) months as selected by the Borrower on the date of disbursement of such amount (or the date of conversion of any amount to the LIBOR Option, as the case may be) and each successive period selected by the Borrower thereafter; PROVIDED THAT, (i) if a LIBOR Interest Period would end on a day which is not a Business Day, it shall end on the next succeeding

Business Day unless such day falls in the next succeeding calendar month in which case the LIBOR Interest Period shall end on the next preceding Business Day, (ii) the Borrower may not select a LIBOR Interest Period that would end on a day after the Maturity Date (as hereinafter defined), and (iii) any LIBOR Interest Period that begins on the last Business Day of a calendar month (or a day for which there is no numerically corresponding day in the last calendar month of such LIBOR Interest Period) shall end on the last Business Day of the last calendar month of such LIBOR Interest Period.

"LIBOR RESERVE PERCENTAGE" shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities").

LIBOR shall be adjusted with respect to any amounts to which the LIBOR Option

applies on and as of the effective date of any change in the LIBOR Reserve Percentage. The Bank shall give prompt notice to the Borrower of LIBOR as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining LIBOR, then the Bank shall give notice thereof to the Borrower. Thereafter, until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (a) the availability of the LIBOR Option shall be suspended, and (b) the interest rate for all amounts then bearing interest under the LIBOR Option shall be converted at the expiration of the then current LIBOR Interest Period(s) to the Base Rate.

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans based on LIBOR, the Bank shall notify the Borrower. Upon receipt of such notice, until the Bank notifies the Borrower that the circumstances giving rise to such determination no longer apply, (a) the availability of the LIBOR Option shall be suspended, and (b) the interest rate on all amounts then bearing interest under the LIBOR Option shall be converted to the Base Rate either (i) on the last day of the then current LIBOR Interest Period(s) if the Bank may lawfully continue to maintain or fund loans based on LIBOR to such day, or (ii) immediately if the Bank may not lawfully continue to maintain or fund loans based on LIBOR.

The foregoing notwithstanding, it is understood that the Borrower may select different Options to apply simultaneously to different portions of this Note and may select up to three (3) different interest periods to apply simultaneously to different portions of this Note bearing interest under the LIBOR Option. Interest hereunder will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

2. INTEREST RATE ELECTION. Subject to the terms and conditions of this Note, at the end of each interest period applicable to any amounts hereunder, the Borrower may renew the Option applicable to such amounts or convert such amounts to a different Option; PROVIDED THAT, during any period in which any Event of Default (as hereinafter defined) has occurred and is continuing, any amounts bearing interest under the LIBOR Option shall, at the Bank's sole discretion, be

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converted at the end of the applicable LIBOR Interest Period to the Base Rate and the LIBOR Option will not be available to Borrower with respect to the conversion or renewal of any other amounts until such Event of Default has been cured by the Borrower or waived by the Bank. The Borrower shall notify the Bank of each election of an Option, each conversion from one Option to another, the amount of the portions hereunder to be allocated to each Option and where relevant the interest periods therefor. In the case of converting to the LIBOR Option, such notice shall be given at least three (3) Business Days prior to the commencement of any LIBOR Interest Period. If no interest period is specified in any such notice for an amount that is to bear interest under the LIBOR Option, the Borrower shall be deemed to have selected a LIBOR Interest Period of one month's duration. If no notice of election, conversion or renewal is timely received by the Bank with respect to any amount hereunder, the Borrower shall be deemed to have elected the Base Rate Option therefor. Any such election shall be promptly confirmed in writing by such method as the Bank may require.

3. PAYMENT OF INTEREST. The Borrower shall pay accrued interest on the unpaid principal balance of this Note in arrears: (a) for amounts hereunder bearing interest under the Base Rate Option, on the first day of each month during the term hereof, (b) for amounts hereunder bearing interest under the LIBOR Option, on the last day of the respective LIBOR Interest Period for such amounts, (c) if any LIBOR Interest Period is longer than three (3) months, then also on the three (3) month anniversary of such interest period and every three (3) months thereafter, and (d) for all outstanding amounts, at maturity, whether by acceleration of this Note or otherwise, and after maturity, on demand until paid in full.

4. PAYMENT OF PRINCIPAL. Principal shall be due and payable in eighty-three (83) equal consecutive monthly installments in the amount of \$35,714.29 each, commencing on November 1, 2004 and continuing on the first day of each month thereafter, and a final installment of \$35,713.93 on October 1, 2011. Any

outstanding principal and accrued interest shall be due and payable in full on October 1, 2011 (the "MATURITY DATE").

If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State where the Bank's office indicated above is located, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. The Borrower hereby authorizes the Bank to charge the Borrower's deposit account at the Bank for any payment when due hereunder. Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

5. LATE PAYMENTS; DEFAULT RATE. If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$100.00 (the "LATE CHARGE"). Such fifteen (15) day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Note shall bear interest at a rate per annum (based on the actual number of days that principal is outstanding over a year of 360 days) which shall be three percentage points (3%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the "DEFAULT RATE"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition,

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the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

6. PREPAYMENT. The Borrower shall have the right to prepay any amount hereunder at any time and from time to time, in whole or in part; subject, however, to payment of any break funding indemnification amounts owing pursuant to paragraph 7 below.

7. YIELD PROTECTION; BREAK FUNDING INDEMNIFICATION. The Borrower shall pay to the Bank on written demand therefor, together with the written evidence of the justification therefor, all direct costs incurred, losses suffered or payments made by Bank by reason of any change in law or regulation or its interpretation imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets. In addition, the Borrower agrees to indemnify the Bank against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any amounts hereunder (or any part thereof) bearing interest under the LIBOR Option which the Bank sustains or incurs as a consequence of either (i) the Borrower's failure to make a payment on the due date thereof, (ii) the Borrower's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Bank to request, convert, renew or prepay any amounts bearing interest under the LIBOR Option, or (iii) the Borrower's payment or prepayment (whether voluntary, after acceleration of the maturity of this Note or otherwise) or conversion of any amounts bearing interest under the LIBOR Option on a day other than the regularly scheduled due date therefor. A notice as to any amounts payable pursuant to this paragraph given to the Borrower by the Bank shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Borrower's indemnification obligations hereunder shall survive the payment in full of all amounts payable hereunder.

8. OTHER LOAN DOCUMENTS. This Note is issued in connection with a letter agreement or loan agreement between the Borrower and the Bank, dated on or before the date hereof, and the other agreements and documents executed and/or delivered in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, collectively the "LOAN DOCUMENTS"), and is secured by the property (if any) described in the Loan Documents and by such other collateral as previously may have been or may in the future be granted to the Bank to secure this Note.

9. EVENTS OF DEFAULT. The occurrence of any of the following events will be deemed to be an "EVENT OF DEFAULT" under this Note: (i) the nonpayment of any principal under this Note when due or of any interest or other indebtedness under this Note within three (3) days following the date when due; (ii) the Borrower's failure to perform any of its other obligations hereunder and such failure continues for twenty (20) days following notice thereof from the Bank to the Borrower; (iii) any Event of Default (as defined in any of the other Loan Documents) or any default under any of the other Loan Documents that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided therein, or any Obligor's failure to observe or perform any covenant or other agreement, under or contained in any other document now or in the future evidencing or securing any debt, liability or obligation of any Obligor to the Bank and the lapse of any notice or cure period provided therein; (iv) the filing by or against any Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Obligor, such proceeding is not dismissed or stayed within 30 days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (v) any assignment by any

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Obligor for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of any Obligor held by or deposited with the Bank; (vi) a default with respect to any other indebtedness of any Obligor for borrowed money, if the effect of such default is to cause or permit the acceleration of such debt; (vii) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of any Obligor to the Bank; (viii) the entry of a final judgment against any Obligor and the failure of such Obligor to discharge the judgment within ten (10) days of the entry thereof; (ix) any material adverse change in any Obligor's business, assets, operations, financial condition or results of operations; (x) any Obligor ceases doing business as a going concern; or (xi) any representation or warranty made by any Obligor to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank, is false, erroneous or misleading in any material respect. As used herein, the term "OBLIGOR" means any Borrower and any guarantor of, or any pledgor, mortgagor or other person or entity providing collateral support for, the Borrower's obligations to the Bank existing on the date of this Note or arising in the future.

Upon the occurrence of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank's option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law.

10. RIGHT OF SETOFF. In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

11. INDEMNITY. The Borrower agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "INDEMNIFIED PARTIES"), and to hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified

Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising

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from or incurred in connection with any breach of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; PROVIDED, HOWEVER, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Note, payment of any amounts hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

12. MISCELLANEOUS. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("NOTICES") must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; PROVIDED, HOWEVER, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES. The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in Philadelphia County, Pennsylvania; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

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13. AUTHORIZATION TO OBTAIN CREDIT REPORTS. By signing below, each Borrower who is an individual provides written authorization to the Bank or its designee (and any assignee or potential assignee hereof) to obtain the Borrower's personal credit profile from one or more national credit bureaus. Such authorization shall extend to obtaining a credit profile in considering this Note and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account.

14. WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

THE BORROWER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE WAIVER OF JURY TRIAL, AND HAS BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

THE QUIGLEY CORPORATION

By: /s/ Guy J. Quigley

(SEAL)

Print Name: Guy J. Quigley

Title: President/CEO

By: /s/ George J. Longo

George J. Longo
V.P. - CFO

(Lebanon Co.)

OPEN-END MORTGAGE
AND SECURITY AGREEMENT
(THIS MORTGAGE SECURES FUTURE ADVANCES)

[OBJECT OMITTED]

THIS OPEN-END MORTGAGE AND SECURITY AGREEMENT (this "MORTGAGE") is made as October 1, 2004, by QUIGLEY MANUFACTURING INC., a Delaware corporation (the "Mortgagor"), with an address at 621 N. Shady Retreat Road, Doylestown, PA 18901 in favor of PNC BANK, NATIONAL ASSOCIATION (the "MORTGAGEE"), with an address at 1600 Market Street, Philadelphia, PA 19103.

WHEREAS, the Mortgagor is the owner of a certain tract or parcel of land described in Exhibit A attached hereto and made a part hereof, together with the improvements now or hereafter erected thereon; and

WHEREAS, the Mortgagor is providing a guaranty of a borrowing by The Quigley Corporation (the "BORROWER") from the Mortgagee in an amount not to exceed Three Million Dollars (\$3,000,000) (the "LOAN"), which Loan is evidenced by one or more promissory notes in favor of the Mortgagee (the "NOTE");

NOW, THEREFORE, for the purpose of securing the payment and performance of the following obligations (collectively called the "OBLIGATIONS"):

(A) The Loan, the Note and all other loans, advances, debts, liabilities, obligations, covenants and duties owing by the Mortgagor or by the Borrower to the Mortgagee or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Mortgagor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement, (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner, or (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Mortgagee to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Mortgagee's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Mortgagee incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses.

(B) Any sums advanced by the Mortgagee or which may otherwise become due pursuant to the provisions of the Note or this Mortgage or pursuant to any other document or instrument at any time delivered to the Mortgagee to evidence or secure any of the Obligations or which otherwise relate to any of the Obligations (as the same may be amended, supplemented or replaced from time to time, the "LOAN DOCUMENTS").

The Mortgagor, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, does hereby give, grant, bargain, sell, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm unto the Mortgagee and does agree that the Mortgagee shall have a security interest in the following described property, all accessions and additions thereto, all substitutions therefor and replacements and proceeds thereof, and all reversions and remainders of such property now owned or held or hereafter acquired (the "PROPERTY"), to wit:

(a) All of the Mortgagor's estate in the premises described in Exhibit A, together with all of the easements, rights of way, privileges, liberties, hereditaments, gores, streets, alleys, passages, ways, waters, watercourses, rights and appurtenances thereunto belonging or appertaining, and all of the Mortgagor's estate, right, title, interest, claim and demand therein and in the public streets and ways adjacent thereto, either in law or in equity (the "LAND");

(b) All the buildings, structures and improvements of every kind and description now or hereafter erected or placed on the Land, and all facilities, fixtures, machinery, apparatus, appliances, installations, machinery and equipment, including all building materials to be incorporated into such buildings and all electrical, heating, air conditioning and plumbing equipment necessary for the operation of such buildings, now or hereafter attached to, located in or used in connection with those buildings, structures or other improvements (the "IMPROVEMENTS");

(c) All rents, issues and profits arising or issuing from the Land and the Improvements (the "RENTS") including the Rents arising or issuing from all leases, licenses, subleases or any other use or occupancy agreement now or hereafter entered into covering all or any part of the Land and Improvements (the "LEASES"), all of which Leases and Rents are hereby assigned to the Mortgagee by the Mortgagor. The foregoing assignment shall include all fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties, and all cash or securities deposited under Leases to secure performance of lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more installments of rent coming due prior to the expiration of such terms. The foregoing assignment extends to Rents arising both before and after the commencement by or against the Mortgagor of any case or proceeding under any Federal or State bankruptcy, insolvency or similar law, and is intended as an absolute assignment and not merely the granting of a security interest. The Mortgagor, however, shall have a license to collect retain and use the Rents so long as no Event of Default shall have occurred and be continuing or shall exist. The Mortgagor will execute and deliver to the Mortgagee, on demand, such additional assignments and instruments as the Mortgagee may require to implement, confirm, maintain and continue the assignment of Rents hereunder; and

(d) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

To have and to hold the same unto the Mortgagee, its successors and assigns, forever.

Provided, however, that if the Mortgagor shall pay to the Mortgagee the Obligations, and if the Mortgagor shall keep and perform each of its other covenants, conditions and agreements set forth herein and in the other Loan Documents, then, upon the termination of all obligations, duties and commitments

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of the Mortgagor under the Obligations and this Mortgage, and subject to the provisions of the paragraph entitled "Survival; Successors and Assigns", the estate hereby granted and conveyed shall become null and void.

This Mortgage is an "Open-End Mortgage" as set forth in 42 Pa. C.S.A. ss.8143 and secures obligations up to a maximum principal amount of indebtedness outstanding at any time equal to double the face amount of the Note, plus accrued and unpaid interest, including advances for the payment of taxes and municipal assessments, maintenance charges, insurance premiums, costs incurred for the protection of the Property or the lien of this Mortgage, expenses incurred by the Mortgagee by reason of a default or Event of Default (as hereinafter defined) by the Mortgagor under this Mortgage and advances for the construction, alteration or renovation on the Property or for any other purpose, together with all other sums due hereunder or secured hereby. All notices to be given to the Mortgagee pursuant to 42 Pa. C.S.A. ss.8143 shall be given as set forth in Section 18.

1. REPRESENTATIONS AND WARRANTIES. The Mortgagor represents and warrants to the Mortgagee that (i) the Mortgagor has good and marketable title to an estate in fee simple absolute in the Land and Improvements and has all right, title and interest in all other property constituting a part of the Property, in each case free and clear of all liens and encumbrances, except as may otherwise be set forth on an Exhibit B hereto and (ii) its name, type of organization, jurisdiction of organization and chief executive office are true and complete as set forth in the heading of this Mortgage. This Mortgage is a valid and enforceable first lien on the Property (except as set forth on Exhibit B) and the Mortgagee shall, subject to the Mortgagor's right of possession prior to an Event of Default, quietly enjoy and possess the Property. The Mortgagor shall preserve such title as it warrants herein and the validity and priority of the lien hereof and shall forever warrant and defend the same to the Mortgagee against the claims of all persons.

2. AFFIRMATIVE COVENANTS. Until all of the Obligations shall have been fully paid, satisfied and discharged the Mortgagor shall:

(a) PAYMENT AND PERFORMANCE OF OBLIGATIONS. Pay or cause to be paid

and perform all Obligations when due as provided in the Loan Documents.

(b) LEGAL REQUIREMENTS. Promptly comply with and conform to all present and future laws, statutes, codes, ordinances, orders and regulations and all covenants, restrictions and conditions which may be applicable to the Mortgagor or to any of the Property (the "LEGAL REQUIREMENTS").

(c) IMPOSITIONS. Before interest or penalties are due thereon and otherwise when due, the Mortgagor shall pay all taxes of every kind and nature, all charges for any easement or agreement maintained for the benefit of any of the Property, all general and special assessments (including any condominium or planned unit development assessments, if any), levies, permits, inspection and license fees, all water and sewer rents and charges, and all other charges and liens, whether of a like or different nature, imposed upon or assessed against the Mortgagor or any of the Property (the "IMPOSITIONS"). Within thirty (30) days after the payment of any Imposition, the Mortgagor shall deliver to the Mortgagee written evidence acceptable to the Mortgagee of such payment. The Mortgagor's obligations to pay the Impositions shall survive the Mortgagee's taking title to (and possession of) the Property through foreclosure, deed-in-lieu or otherwise, as well as the termination of the Mortgage including, without limitation, by merger into a deed.

(d) MAINTENANCE OF SECURITY. Use, and permit others to use, the Property only for its present use or such other uses as permitted by applicable Legal Requirements and approved in writing by the Mortgagee. The Mortgagor shall

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keep the Property in good condition and order and in a rentable and tenantable state of repair and will make or cause to be made, as and when necessary, all repairs, renewals, and replacements, structural and nonstructural, exterior and interior, foreseen and unforeseen, ordinary and extraordinary, provided, however, that no structural repairs, renewals or replacements shall be made without the Mortgagee's prior written consent. The Mortgagor shall not remove, demolish or alter the Property nor commit or suffer waste with respect thereto, nor permit the Property to become deserted or abandoned. The Mortgagor covenants and agrees not to take or permit any action with respect to the Property which will in any manner impair the security of this Mortgage or the use of the Property as set forth in the Loan Documents.

3. LEASES. The Mortgagor shall not (a) execute an assignment or pledge of the Rents or the Leases other than in favor of the Mortgagee; (b) accept any prepayment of an installment of any Rents prior to the due date of such installment; or (c) enter into or amend any of the terms of any of the Leases without the Mortgagee's prior written consent. Any or all leases or subleases of all or any part of the Property shall be subject in all respects to the Mortgagee's prior written consent, shall be subordinated to this Mortgage and to the Mortgagee's rights and, together with any and all rents, issues or profits relating thereto, shall be assigned at the time of execution to the Mortgagee as additional collateral security for the Obligations, all in such form, substance and detail as is satisfactory to the Mortgagee in its sole discretion.

4. DUE ON SALE CLAUSE. The Mortgagor shall not sell, convey or otherwise transfer any interest in the Property (whether voluntarily or by operation of law), or agree to do so, without the Mortgagee's prior written consent, including (a) any sale, conveyance, encumbrance, assignment, or other transfer of (including installment land sale contracts), or the grant of a security interest in, all or any part of the legal or equitable title to the Property, except as otherwise permitted hereunder; (b) any lease of all or any portion of the Property; or (c) any sale, conveyance, encumbrance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of the Mortgagor, if a corporation or any partnership interest in the Mortgagor, if a partnership, or any membership interest, if a limited liability entity, except in favor of the Mortgagee. Any default under this Section shall cause an immediate acceleration of the Obligations without any demand by the Mortgagee.

5. INSURANCE. The Mortgagor shall keep the Property continuously insured, in an amount not less than the cost to replace the Property or an amount not less than eighty percent (80%) of the full insurable value of the Property, whichever is greater, covering such risks and in such amounts and with such deductibles as are satisfactory to the Mortgagee and its counsel including, without limitation, insurance against loss or damage by fire, with extended coverage and against other hazards as the Mortgagee may from time to time require. With respect to any property under construction or reconstruction, the Mortgagor shall maintain builder's risk insurance. The Mortgagor shall also maintain comprehensive general public liability insurance, in an amount of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate per location, which includes contractual liability insurance for the Mortgagor's obligations under the Leases, and worker's compensation insurance. All property and builder's risk insurance shall include protection for continuation of income for a period of twelve (12) months, in the event of any damage caused by the perils referred to above. All

policies, including policies for any amounts carried in excess of the required minimum and policies not specifically required by the Mortgagee, shall be with an insurance company or companies satisfactory to the Mortgagee, shall be in form satisfactory to the Mortgagee, shall meet all coinsurance requirements of the Mortgagee, shall be maintained in full force and effect, shall be assigned to the Mortgagee, with premiums prepaid, as collateral security for payment of the Obligations, shall be endorsed with a standard mortgagee clause in favor of the Mortgagee and shall provide for at least thirty (30) days notice of cancellation to the Mortgagee. Such insurance shall also name the Mortgagee as an additional insured under the comprehensive general public liability policy and the Mortgagor shall also deliver to the Mortgagee a copy of the replacement cost coverage endorsement. If the Property is located in an area which has been

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identified by any governmental agency, authority or body as a flood hazard area or the like, then the Mortgagor shall maintain a flood insurance policy covering the Property in an amount not less than the original principal amount of the Loan or the maximum limit of coverage available under the federal program, whichever amount is less.

6. RIGHTS OF MORTGAGEE TO INSURANCE PROCEEDS. In the event of loss, the Mortgagee shall have the exclusive right to adjust, collect and compromise all insurance claims, and the Mortgagor shall not adjust, collect or compromise any claims under said policies without the Mortgagee's prior written consent. Each insurer is hereby authorized and directed to make payment under said policies, including return of unearned premiums, directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the Mortgagor appoints the Mortgagee as the Mortgagor's attorney-in-fact to endorse any draft therefor. All insurance proceeds may, at the Mortgagee's sole option, be applied to all or any part of the Obligations and in any order (notwithstanding that such Obligations may not then otherwise be due and payable) or to the repair and restoration of any of the Property under such terms and conditions as the Mortgagee may impose.

7. INSTALLMENTS FOR INSURANCE, TAXES AND OTHER CHARGES. Upon the Mortgagee's request, the Mortgagor shall pay to the Mortgagee monthly, an amount equal to one-twelfth (1/12) of the annual premiums for the insurance policies referred to hereinabove and the annual Impositions and any other item which at any time may be or become a lien upon the Property (the "ESCROW CHARGES"). The amounts so paid shall be used in payment of the Escrow Charges so long as no Event of Default shall have occurred. No amount so paid to the Mortgagee shall be deemed to be trust funds, nor shall any sums paid bear interest. The Mortgagee shall have no obligation to pay any insurance premium or Imposition if at any time the funds being held by the Mortgagee for such premium or Imposition are insufficient to make such payments. If, at any time, the funds being held by the Mortgagee for any insurance premium or Imposition are exhausted, or if the Mortgagee determines, in its sole discretion, that such funds will be insufficient to pay in full any insurance premium or Imposition when due, the Mortgagor shall promptly pay to the Mortgagee, upon demand, an amount which the Mortgagee shall estimate as sufficient to make up the deficiency. Upon the occurrence of an Event of Default, the Mortgagee shall have the right, at its election, to apply any amount so held against the Obligations due and payable in such order as the Mortgagee may deem fit, and the Mortgagor hereby grants to the Mortgagee a lien upon and security interest in such amounts for such purpose.

8. CONDEMNATION. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking by eminent domain of any of the Property, shall notify the Mortgagee of the pendency of such proceedings. The Mortgagee may participate in any such proceedings and the Mortgagor shall deliver to the Mortgagee all instruments requested by it to permit such participation. Any award or compensation for property taken or for damage to property not taken, whether as a result of such proceedings or in lieu thereof, is hereby assigned to and shall be received and collected directly by the Mortgagee, and any award or compensation shall be applied, at the Mortgagee's option, to any part of the Obligations and in any order (notwithstanding that any of such Obligations may not then be due and payable) or to the repair and restoration of any of the Property under such terms and conditions as the Mortgagee may impose.

9. ENVIRONMENTAL MATTERS. (a) For purposes of this Section 9, the term "ENVIRONMENTAL LAWS" shall mean all federal, state and local laws, regulations and orders, whether now or in the future enacted or issued, pertaining to the protection of land, water, air, health, safety or the environment. The term "REGULATED SUBSTANCES" shall mean all substances regulated by Environmental Laws, or which are known or considered to be harmful to the health or safety of persons, or the presence of which may require investigation, notification or remediation under the Environmental Laws. The term "CONTAMINATION" shall mean

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the discharge, release, emission, disposal or escape of any Regulated Substances into the environment.

(b) The Mortgagor represents and warrants (i) that no Contamination is present at, on or under the Property and that no Contamination is being or has been emitted onto any surrounding property; (ii) all operations and activities on the Property have been and are being conducted in accordance with all Environmental Laws, and the Mortgagor has all permits and licenses required under the Environmental Laws; (iii) no underground or aboveground storage tanks are or have been located on or under the Property; and (iv) no legal or administrative proceeding is pending or threatened relating to any environmental condition, operation or activity on the Property, or any violation or alleged violation of Environmental Laws. These representations and warranties shall be true as of the date hereof, and shall be deemed to be continuing representations and warranties which must remain true, correct and accurate during the entire duration of the term of this Mortgage.

(c) The Mortgagor shall ensure, at its sole cost and expense, that the Property and the conduct of all operations and activities thereon comply and continue to comply with all Environmental Laws. The Mortgagor shall notify the Mortgagee promptly and in reasonable detail in the event that the Mortgagor becomes aware of any violation of any Environmental Laws, the presence or release of any Contamination with respect to the Property, or any governmental or third party claims relating to the environmental condition of the Property or the conduct of operations or activities thereon. The Mortgagor also agrees not to permit or allow the presence of Regulated Substances on any part of the Property, except for those Regulated Substances (i) which are used in the ordinary course of the Mortgagor's business, but only to the extent they are in all cases used in a manner which complies with all Environmental Laws; and (ii) those Regulated Substances which are naturally occurring on the Property. The Mortgagor agrees not to cause, allow or permit the presence of any Contamination on the Property.

(d) The Mortgagee shall not be liable for, and the Mortgagor shall indemnify, defend and hold the Mortgagee and the Indemnified Parties (as hereinafter defined) and all of their respective successors and assigns harmless from and against all losses, costs, liabilities, damages, fines, claims, penalties and expenses (including reasonable attorneys', consultants' and contractors' fees, costs incurred in the investigation, defense and settlement of claims, as well as costs incurred in connection with the investigation, remediation or monitoring of any Regulated Substances or Contamination) that the Mortgagee or any Indemnified Party may suffer or incur (including as holder of the Mortgage, as mortgagee in possession or as successor in interest to the Mortgagor as owner of the Property by virtue of a foreclosure or acceptance of a deed in lieu of foreclosure) as a result of or in connection with (i) any Environmental Laws (including the assertion that any lien existing or arising pursuant to any Environmental Laws takes priority over the lien of the Mortgage); (ii) the breach of any representation, warranty, covenant or undertaking by the Mortgagor in this Section 9; (iii) the presence on or the migration of any Contamination or Regulated Substances on, under or through the Property; or (iv) any litigation or claim by the government or by any third party in connection with the environmental condition of the Property or the presence or migration of any Regulated Substances or Contamination on, under, to or from the Property.

(e) Upon the Mortgagee's request, the Mortgagor shall execute and deliver an Environmental Indemnity Agreement satisfactory in form and substance to the Mortgagee, to more fully reflect the Mortgagor's representations, warranties, covenants and indemnities with respect to the Environmental Laws.

10. INSPECTION OF PROPERTY. The Mortgagee shall have the right to enter the Property at any reasonable hour for the purpose of inspecting the order, condition and repair of the buildings and improvements erected thereon, as well as the conduct of operations and activities on the Property. The Mortgagee may

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enter the Property (and cause the Mortgagee's employees, agents and consultants to enter the Property), upon prior written notice to the Mortgagor, to conduct any and all environmental testing deemed appropriate by the Mortgagee in its sole discretion. The environmental testing shall be accomplished by whatever means the Mortgagee may deem appropriate, including the taking of soil samples and the installation of ground water monitoring wells or other intrusive environmental tests. The Mortgagor shall provide the Mortgagee (and the Mortgagee's employees, agents and consultants) reasonable rights of access to the Property as well as such information about the Property and the past or present conduct of operations and activities thereon as the Mortgagee shall reasonably request.

11. EVENTS OF DEFAULT. The occurrence of any one or more of the following

events shall constitute an "EVENT OF DEFAULT" hereunder: (a) any Event of Default (as defined in any of the Obligations); (b) any default under any of the Obligations that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided in such Obligations with respect to such default; (c) demand by the Mortgagee under any of the Obligations that have a demand feature; (d) the Mortgagor's failure to perform any of its obligations under this Mortgage or under any Environmental Indemnity Agreement executed and delivered pursuant to Section 9(e); (e) falsity, inaccuracy or material breach by the Mortgagor of any written warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor; (f) an uninsured material loss, theft, damage, or destruction to any of the Property, or the entry of any judgment against the Mortgagor or any lien against or the making of any levy, seizure or attachment of or on the Property; (g) the Mortgagee's failure to have a mortgage lien on the Property with the priority required under Section 1; (h) any indication or evidence received by the Mortgagee that the Mortgagor may have directly or indirectly been engaged in any type of activity which, in the Mortgagee's discretion, might result in the forfeiture of any property of the Mortgagor to any governmental entity, federal, state or local; (i) foreclosure proceedings are instituted against the Property upon any other lien or claim, whether alleged to be superior or junior to the lien of this Mortgage; (j) the failure by the Mortgagor to pay any Impositions as required under Section 2(c), or to maintain in full force and effect any insurance required under Section 5; or (k) the Mortgagor or any other obligor or guarantor of any of the Obligations, shall at any time deliver or cause to be delivered to the Mortgagee a notice pursuant to 42 Pa. C.S.A. ss.8143 (or any successor or similar law, rule or regulation) electing to limit the indebtedness secured by this Mortgage.

12. RIGHTS AND REMEDIES OF MORTGAGEE. If an Event of Default occurs, the Mortgagee may, at its option and without demand, notice or delay, do one or more of the following:

(a) The Mortgagee may declare the entire unpaid principal balance of the Obligations, together with all interest thereon, to be due and payable immediately.

(b) The Mortgagee may (i) institute and maintain an action of mortgage foreclosure against the Property and the interests of the Mortgagor therein, (ii) institute and maintain an action on any instruments evidencing the Obligations or any portion thereof, and (iii) take such other action at law or in equity for the enforcement of any of the Loan Documents as the law may allow, and in each such action the Mortgagee shall be entitled to all costs of suit and attorneys fees.

(c) The Mortgagee may, in its sole and absolute discretion: (i) collect any or all of the Rents, including any Rents past due and unpaid, (ii) perform any obligation or exercise any right or remedy of the Mortgagor under any Lease, or (iii) enforce any obligation of any tenant of any of the Property. The Mortgagee may exercise any right under this subsection (c), whether or not the Mortgagee shall have entered into possession of any of the Property, and nothing herein contained shall be construed as constituting the Mortgagee a "mortgagee in possession", unless the Mortgagee shall have entered into and shall continue to be in actual possession of the Property. The Mortgagor hereby authorizes and directs each and every present and future tenant of any of the Property to pay all Rents directly to the Mortgagee and to perform all other

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obligations of that tenant for the direct benefit of the Mortgagee, as if the Mortgagee were the landlord under the Lease with that tenant, immediately upon receipt of a demand by the Mortgagee to make such payment or perform such obligations. The Mortgagor hereby waives any right, claim or demand it may now or hereafter have against any such tenant by reason of such payment of Rents or performance of obligations to the Mortgagee, and any such payment or performance to the Mortgagee shall discharge the obligations of the tenant to make such payment or performance to the Mortgagor.

(d) The Mortgagee shall have the right, in connection with the exercise of its remedies hereunder, to the appointment of a receiver to take possession and control of the Property or to collect the Rents, without notice and without regard to the adequacy of the Property to secure the Obligations. A receiver while in possession of the Property shall have the right to make repairs and to make improvements necessary or advisable in its or his opinion to preserve the Property, or to make and keep them rentable to the best advantage, and the Mortgagee may advance moneys to a receiver for such purposes. Any moneys so expended or advanced by the Mortgagee or by a receiver shall be added to and become a part of the Obligations secured by this Mortgage.

13. APPLICATION OF PROCEEDS. The Mortgagee shall apply the proceeds of any foreclosure sale of, or other disposition or realization upon, or Rents or profits from, the Property to satisfy the Obligations in such order of

application as the Mortgagee shall determine in its exclusive discretion.

14. CONFESION OF JUDGMENT IN EJECTMENT. At any time after the occurrence of an Event of Default, without further notice, regardless of whether the Mortgagee has asserted any other right or exercised any other remedy under this Mortgage or any of the other Loan Documents, it shall be lawful for any attorney of any court of record as attorney for the Mortgagor to confess judgment in ejectment against the Mortgagor and all persons claiming under the Mortgagor for the recovery by the Mortgagee of possession of all or any part of the Property, for which this Mortgage shall be sufficient warrant. If for any reason after such action shall have commenced the same shall be discontinued and the possession of the Property shall remain in or be restored to the Mortgagor, the Mortgagee shall have the right upon any subsequent default or defaults to bring one or more amicable action or actions as hereinbefore set forth to recover possession of all or any part of the Property.

15. MORTGAGEE'S RIGHT TO PROTECT SECURITY. The Mortgagee is hereby authorized to do any one or more of the following, irrespective of whether an Event of Default has occurred: (a) appear in and defend any action or proceeding purporting to affect the security hereof or the Mortgagee's rights or powers hereunder; (b) purchase such insurance policies covering the Property as it may elect if the Mortgagor fails to maintain the insurance coverage required hereunder; and (c) take such action as the Mortgagee may determine to pay, perform or comply with any Impositions or Legal Requirements, to cure any Events of Default and to protect its security in the Property.

16. APPOINTMENT OF MORTGAGEE AS ATTORNEY-IN-FACT. The Mortgagee, or any of its officers, is hereby irrevocably appointed attorney-in-fact for the Mortgagor (without requiring any of them to act as such), such appointment being coupled with an interest, to do any or all of the following: (a) collect the Rents after the occurrence of an Event of Default; (b) settle for, collect and receive any awards payable under Section 8 from the authorities making the same; and (c) execute, deliver and file, at Mortgagor's sole cost and expense such financing, continuation or amendment statements and other instruments as the Mortgagee may require in order to perfect, protect and maintain its security interest under the UCC on any portion of the Property.

17. CERTAIN WAIVERS. The Mortgagor hereby waives and releases all benefit that might accrue to the Mortgagor by virtue of any present or future law exempting the Property, or any part of the proceeds arising from any sale

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thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment or any rights of marshalling in the event of any sale hereunder of the Property, and, unless specifically required herein, all notices of the Mortgagor's default or of the Mortgagee's election to exercise, or the Mortgagee's actual exercise of any option under this Mortgage or any other Loan Document.

18. NOTICES. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("NOTICES") must be in writing and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

19. FURTHER ACTS. By its signature hereon, the Mortgagor hereby irrevocably authorizes the Mortgagee to execute (on behalf of the Mortgagor) and file against the Mortgagor one or more financing, continuation or amendment statements pursuant to the UCC in form satisfactory to the Mortgagee, and the Mortgagor will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by the Mortgagee to be necessary or desirable in order to perfect, preserve and protect its security interests. If required by the Mortgagee, the Mortgagor will execute all documentation necessary for the Mortgagee to obtain and maintain perfection of its security interests in the Property. The Mortgagor will, at the cost of the Mortgagor, and without expense to the Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as the Mortgagee shall, from time to time, require for the better assuring, conveying, assigning, transferring or confirming unto the Mortgagee the property and rights hereby mortgaged, or which Mortgagor may be or may hereafter become bound to convey or assign to the Mortgagee, or for carrying out the intent of or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage. The Mortgagor grants to the Mortgagee 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 Mortgagee under the Note, this

Mortgage, the other Loan Documents, at law or in equity, including, without limitation, the rights and remedies described in this paragraph.

20. CHANGES IN THE LAWS REGARDING TAXATION. If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Obligations from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Mortgagor or the Mortgagee's interest in the Property, the Mortgagor will pay such tax, with interest and penalties thereon, if any. If the Mortgagee determines that the payment of such tax or interest and penalties by the Mortgagor would be unlawful or taxable to the Mortgagee or unenforceable or provide the basis for a defense of usury, then the Mortgagee shall have the option, by written notice of not less than ninety (90) days, to declare the entire Obligations immediately due and payable.

21. DOCUMENTARY STAMPS. If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note or this Mortgage, or impose any other tax or charge on the same, the Mortgagor will pay for the same, with interest and penalties thereon, if any.

22. PRESERVATION OF RIGHTS. No delay or omission on the Mortgagee's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Mortgagee's action or inaction impair any such right or power. The Mortgagee's

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rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Mortgagee may have under other agreements, at law or in equity.

23. ILLEGALITY. If any provision contained in this Mortgage should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Mortgage.

24. CHANGES IN WRITING. No modification, amendment or waiver of, or consent to any departure by the Mortgagor from, any provision of this Mortgage will be effective unless made in a writing signed by the Mortgagee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Mortgagor will entitle the Mortgagor to any other or further notice or demand in the same, similar or other circumstance.

25. ENTIRE AGREEMENT. This Mortgage (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

26. SURVIVAL; SUCCESSORS AND ASSIGNS. This Mortgage will be binding upon and inure to the benefit of the Mortgagor and the Mortgagee and their respective heirs, executors, administrators, successors and assigns; PROVIDED, HOWEVER, that the Mortgagor may not assign this Mortgage in whole or in part without the Mortgagee's prior written consent and the Mortgagee at any time may assign this Mortgage in whole or in part; and PROVIDED, FURTHER, that the rights and benefits under the Paragraphs entitled "Environmental Matters", "Inspection of Property" and "Indemnity" shall also inure to the benefit of any persons or entities who acquire title or ownership of the Property from or through the Mortgagee or through action of the Mortgagee (including a foreclosure, sheriff's or judicial sale). The provisions of Paragraphs entitled "Environmental Matters", "Inspection of Property" and "Indemnity" shall survive the termination, satisfaction or release of this Mortgage, the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure.

27. INTERPRETATION. In this Mortgage, unless the Mortgagee and the Mortgagor otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Mortgage; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Mortgage. Section headings in this Mortgage are included for convenience of reference only and shall not constitute a part of this Mortgage for any other purpose. If this Mortgage is executed by more than one party as Mortgagor, the obligations of such persons or entities will be joint and several.

28. INDEMNITY. The Mortgagor agrees to indemnify each of the Mortgagee,

each legal entity, if any, who controls, is controlled by or is under common control with the Mortgagee and each of their respective directors, officers, employees and agents (the "INDEMNIFIED PARTIES"), and to hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur, or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Mortgagor), in connection with or arising out of or relating to the matters referred to in this Mortgage or in the other Loan Documents, whether

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(a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Mortgagor, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; PROVIDED, HOWEVER, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Mortgage, payment of any Obligations and assignment of any rights hereunder. The Mortgagor may participate at its expense in the defense of any such action or claim.

29. GOVERNING LAW AND JURISDICTION. This Mortgage has been delivered to and accepted by the Mortgagee and will be deemed to be made in the State where the Mortgagee's office indicated above is located. THIS MORTGAGE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED (IF DIFFERENT FROM THE STATE WHERE SUCH OFFICE OF THE MORTGAGEE IS LOCATED) SHALL GOVERN THE CREATION, PERFECTION AND FORECLOSURE OF THE LIENS CREATED HEREUNDER ON THE PROPERTY OR ANY INTEREST THEREIN. The Mortgagor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in Philadelphia County, Pennsylvania provided that nothing contained in this Mortgage will prevent the Mortgagee from bringing any action, enforcing any award or judgment or exercising any rights against the Mortgagor individually, against any security or against any property of the Mortgagor within any other county, state or other foreign or domestic jurisdiction. The Mortgagee and the Mortgagor agree that the venue provided above is the most convenient forum for both the Mortgagee and the Mortgagor. The Mortgagor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Mortgage.

30. AUTHORIZATION TO OBTAIN CREDIT REPORTS. By signing below, each Mortgagor who is an individual provides written authorization to the Mortgagee or its designee (and any assignee or potential assignee hereof) authorizing review of the Mortgagor's personal credit profile from one or more national credit bureaus. Such authorization shall extend to obtaining a credit profile in considering the Obligations and/or this Mortgage and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account.

31. CHANGE IN NAME OR LOCATIONS. The Mortgagor hereby agrees that if the location of any of the Property changes from the Land or its chief executive office, or if the Mortgagor changes its name, its type of organization, its state of organization (if Mortgagor is a registered organization), its principal residence (if Mortgagor is an individual), its chief executive office (if Mortgagor is a general partnership or non-registered organization) or establishes a name in which it may do business that is not the current name of the Mortgagor, the Mortgagor will immediately notify the Mortgagee in writing of the additions or changes.

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32. WAIVER OF JURY TRIAL. THE MORTGAGOR IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS MORTGAGE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS MORTGAGE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE MORTGAGOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

THE MORTGAGOR ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS MORTGAGE, INCLUDING THE WAIVER OF JURY TRIAL, AND HAS BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

[CORPORATE SEAL]

QUIGLEY MANUFACTURING INC.

Attest: /s/ Charles A. Phillips

By: /s/ George J. Longo

Print Name: Charles A. Phillips

Print Name: George J. Longo

Title: VP

Title: V.P. - CFO

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CERTIFICATE OF RESIDENCE

The undersigned certifies that the residence of the Mortgagee is 1600 Market Street, Philadelphia, PA 19103.

/s/ John Siegrist

On behalf of the Mortgagee

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COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF BUCKS)

On this, the 1st day of October, 2004, before me, a Notary Public, the undersigned officer, personally appeared George J. Longo, who acknowledged himself/herself to be the Vice President of Quigley Manufacturing Inc., a Delaware corporation, and that he/she, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Joanne J. Taylor

Notary Public

My commission expires: March 21, 2005

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EXHIBITS
Lebanon County

A. LEGAL DESCRIPTION (ATTACHED HERETO)

B. PERMITTED ENCUMBRANCES:

Rights or claims by parties in possession or under the terms of any unrecorded lease or agreement(s) of sale.

Water and Sewer Rents due for current year, not yet due and payable.

Liability for possible additional assessment for County Taxes, School Taxes and Municipal Taxes; and/or for new construction and/or major improvements to premises, not yet due and payable.

Under and subject to rights of Metropolitan Edison Company acquired as follows:

- - Miscellaneous Book Y-2, page 232
- - Miscellaneous Book Y-2, page 566
- - Miscellaneous Book Z-2, page 183

Under and subject to drainage easement as set forth on Plan Book 32, page 159.

Acreage content not insured.

ALL THAT CERTAIN lot or piece of ground, situate in the Township of North Lebanon, County of Lebanon and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point on the eastern right-of-way line of North 15th Avenue (PA State Highway Route #38017, (50 foot wide), said point being 50.0 feet northwardly of the northwestern corner of land of Pierce W. Boltz; THENCE along said eastern right-of-way line of North 15th Avenue, North 34 degrees 30 minutes West, a distance of 275.0 feet to a point; THENCE along the southern side of Joel Drive (50 foot wide), the following two courses and distances: along a curve to the right having a radius of 25.0 feet, an arc distance of 39.27 feet and a chord bearing of North 10 degrees 30 minutes East, a distance of 35.36 feet to a point; THENCE North 55 degrees 30 minutes East, a distance of 1,080.00 feet to a point; THENCE along land of MAC (of which this was formerly a part), also being along the center line of a 100.0 foot wide drainage and utility easement, South 34 degrees 30 minutes East, a distance of 565.0 feet to a point; THENCE along said land of MAC, also being along the northern side of a 30 foot wide utility easement, South 61 degrees 24 minutes 23 seconds West, a distance of 874.60 feet to a point; THENCE along said land of MAC, the following two courses and distances: North 34 degrees 31 minutes West, a distance of 175.0 feet to a point; THENCE South 55 degrees 30 minutes West, a distance of 235.0 feet to the place of BEGINNING.

CONTAINING 12.0 acres.

BEING Lot No. 4 on Land Subdivision Plan for MAC, dated December 15, 1983, recorded January 6, 1984, in the Recorder of Deeds Office, Lebanon County, Pennsylvania, in Plan Book 32, page 159.

EXHIBIT A

OPEN-END MORTGAGE AND SECURITY AGREEMENT

QUIGLEY MANUFACTURING INC.

Mortgagor

AND

PNC BANK, NATIONAL ASSOCIATION,

Mortgagee

Return to:

PNC Bank, National Association
1600 Market Street
Philadelphia, PA 19103

Attention: John Siegrist

OPEN-END MORTGAGE
AND SECURITY AGREEMENT
(THIS MORTGAGE SECURES FUTURE ADVANCES)

(Lancaster Co.)
[OBJECT OMITTED]

THIS OPEN-END MORTGAGE AND SECURITY AGREEMENT (this "MORTGAGE") is made as October 1, 2004, by QUIGLEY MANUFACTURING INC., a Delaware corporation (the "Mortgagor"), with an address at 621 N. Shady Retreat Road, Doylestown, PA 18901 in favor of PNC BANK, NATIONAL ASSOCIATION (the "MORTGAGEE"), with an address at 1600 Market Street, Philadelphia, PA 19103.

WHEREAS, the Mortgagor is the owner of a certain tract or parcel of land described in Exhibit A attached hereto and made a part hereof, together with the improvements now or hereafter erected thereon; and

WHEREAS, the Mortgagor is providing a guaranty of a borrowing by The Quigley Corporation (the "BORROWER") from the Mortgagee in an amount not to exceed Three Million Dollars (\$3,000,000) (the "LOAN"), which Loan is evidenced by one or more promissory notes in favor of the Mortgagee (the "NOTE");

NOW, THEREFORE, for the purpose of securing the payment and performance of the following obligations (collectively called the "OBLIGATIONS"):

(A) The Loan, the Note and all other loans, advances, debts, liabilities, obligations, covenants and duties owing by the Mortgagor or by the Borrower to the Mortgagee or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Mortgagor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement, (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner, or (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Mortgagee to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Mortgagee's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Mortgagee incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses.

(B) Any sums advanced by the Mortgagee or which may otherwise become due pursuant to the provisions of the Note or this Mortgage or pursuant to any other document or instrument at any time delivered to the Mortgagee to evidence or secure any of the Obligations or which otherwise relate to any of the Obligations (as the same may be amended, supplemented or replaced from time to time, the "LOAN DOCUMENTS").

The Mortgagor, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, does hereby give, grant, bargain, sell, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm unto the Mortgagee and does agree that the Mortgagee shall have a security interest in the following described property, all accessions and additions thereto, all substitutions therefor and replacements and proceeds thereof, and all reversions and remainders of such property now owned or held or hereafter acquired (the "PROPERTY"), to wit:

(a) All of the Mortgagor's estate in the premises described in Exhibit A, together with all of the easements, rights of way, privileges, liberties, hereditaments, gores, streets, alleys, passages, ways, waters, watercourses, rights and appurtenances thereunto belonging or appertaining, and all of the Mortgagor's estate, right, title, interest, claim and demand therein and in the public streets and ways adjacent thereto, either in law or in equity (the "LAND");

(b) All the buildings, structures and improvements of every kind and description now or hereafter erected or placed on the Land, and all facilities, fixtures, machinery, apparatus, appliances, installations, machinery and equipment, including all building materials to be incorporated into such buildings and all electrical, heating, air conditioning and plumbing equipment necessary for the operation of such buildings, now or hereafter attached to, located in or used in connection with those buildings, structures or other improvements (the "IMPROVEMENTS");

(c) All rents, issues and profits arising or issuing from the Land and the Improvements (the "RENTS") including the Rents arising or issuing from all leases, licenses, subleases or any other use or occupancy agreement now or hereafter entered into covering all or any part of the Land and Improvements (the "LEASES"), all of which Leases and Rents are hereby assigned to the Mortgagee by the Mortgagor. The foregoing assignment shall include all fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties, and all cash or securities deposited under Leases to secure performance of lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more installments of rent coming due prior to the expiration of such terms. The foregoing assignment extends to Rents arising both before and after the commencement by or against the Mortgagor of any case or proceeding under any Federal or State bankruptcy, insolvency or similar law, and is intended as an absolute assignment and not merely the granting of a security interest. The Mortgagor, however, shall have a license to collect retain and use the Rents so long as no Event of Default shall have occurred and be continuing or shall exist. The Mortgagor will execute and deliver to the Mortgagee, on demand, such additional assignments and instruments as the Mortgagee may require to implement, confirm, maintain and continue the assignment of Rents hereunder; and

(d) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

To have and to hold the same unto the Mortgagee, its successors and assigns, forever.

Provided, however, that if the Mortgagor shall pay to the Mortgagee the Obligations, and if the Mortgagor shall keep and perform each of its other covenants, conditions and agreements set forth herein and in the other Loan Documents, then, upon the termination of all obligations, duties and commitments

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of the Mortgagor under the Obligations and this Mortgage, and subject to the provisions of the paragraph entitled "Survival; Successors and Assigns", the estate hereby granted and conveyed shall become null and void.

This Mortgage is an "Open-End Mortgage" as set forth in 42 Pa. C.S.A. ss.8143 and secures obligations up to a maximum principal amount of indebtedness outstanding at any time equal to double the face amount of the Note, plus accrued and unpaid interest, including advances for the payment of taxes and municipal assessments, maintenance charges, insurance premiums, costs incurred for the protection of the Property or the lien of this Mortgage, expenses incurred by the Mortgagee by reason of a default or Event of Default (as hereinafter defined) by the Mortgagor under this Mortgage and advances for the construction, alteration or renovation on the Property or for any other purpose, together with all other sums due hereunder or secured hereby. All notices to be given to the Mortgagee pursuant to 42 Pa. C.S.A. ss.8143 shall be given as set forth in Section 18.

1. REPRESENTATIONS AND WARRANTIES. The Mortgagor represents and warrants to the Mortgagee that (i) the Mortgagor has good and marketable title to an estate in fee simple absolute in the Land and Improvements and has all right, title and interest in all other property constituting a part of the Property, in each case free and clear of all liens and encumbrances, except as may otherwise be set forth on an Exhibit B hereto and (ii) its name, type of organization, jurisdiction of organization and chief executive office are true and complete as set forth in the heading of this Mortgage. This Mortgage is a valid and enforceable first lien on the Property (except as set forth on Exhibit B) and the Mortgagee shall, subject to the Mortgagor's right of possession prior to an Event of Default, quietly enjoy and possess the Property. The Mortgagor shall preserve such title as it warrants herein and the validity and priority of the lien hereof and shall forever warrant and defend the same to the Mortgagee against the claims of all persons.

2. AFFIRMATIVE COVENANTS. Until all of the Obligations shall have been fully paid, satisfied and discharged the Mortgagor shall:

(a) PAYMENT AND PERFORMANCE OF OBLIGATIONS. Pay or cause to be paid

and perform all Obligations when due as provided in the Loan Documents.

(b) LEGAL REQUIREMENTS. Promptly comply with and conform to all present and future laws, statutes, codes, ordinances, orders and regulations and all covenants, restrictions and conditions which may be applicable to the Mortgagor or to any of the Property (the "LEGAL REQUIREMENTS").

(c) IMPOSITIONS. Before interest or penalties are due thereon and otherwise when due, the Mortgagor shall pay all taxes of every kind and nature, all charges for any easement or agreement maintained for the benefit of any of the Property, all general and special assessments (including any condominium or planned unit development assessments, if any), levies, permits, inspection and license fees, all water and sewer rents and charges, and all other charges and liens, whether of a like or different nature, imposed upon or assessed against the Mortgagor or any of the Property (the "IMPOSITIONS"). Within thirty (30) days after the payment of any Imposition, the Mortgagor shall deliver to the Mortgagee written evidence acceptable to the Mortgagee of such payment. The Mortgagor's obligations to pay the Impositions shall survive the Mortgagee's taking title to (and possession of) the Property through foreclosure, deed-in-lieu or otherwise, as well as the termination of the Mortgage including, without limitation, by merger into a deed.

(d) MAINTENANCE OF SECURITY. Use, and permit others to use, the Property only for its present use or such other uses as permitted by applicable Legal Requirements and approved in writing by the Mortgagee. The Mortgagor shall

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keep the Property in good condition and order and in a rentable and tenable state of repair and will make or cause to be made, as and when necessary, all repairs, renewals, and replacements, structural and nonstructural, exterior and interior, foreseen and unforeseen, ordinary and extraordinary, provided, however, that no structural repairs, renewals or replacements shall be made without the Mortgagee's prior written consent. The Mortgagor shall not remove, demolish or alter the Property nor commit or suffer waste with respect thereto, nor permit the Property to become deserted or abandoned. The Mortgagor covenants and agrees not to take or permit any action with respect to the Property which will in any manner impair the security of this Mortgage or the use of the Property as set forth in the Loan Documents.

3. LEASES. The Mortgagor shall not (a) execute an assignment or pledge of the Rents or the Leases other than in favor of the Mortgagee; (b) accept any prepayment of an installment of any Rents prior to the due date of such installment; or (c) enter into or amend any of the terms of any of the Leases without the Mortgagee's prior written consent. Any or all leases or subleases of all or any part of the Property shall be subject in all respects to the Mortgagee's prior written consent, shall be subordinated to this Mortgage and to the Mortgagee's rights and, together with any and all rents, issues or profits relating thereto, shall be assigned at the time of execution to the Mortgagee as additional collateral security for the Obligations, all in such form, substance and detail as is satisfactory to the Mortgagee in its sole discretion.

4. DUE ON SALE CLAUSE. The Mortgagor shall not sell, convey or otherwise transfer any interest in the Property (whether voluntarily or by operation of law), or agree to do so, without the Mortgagee's prior written consent, including (a) any sale, conveyance, encumbrance, assignment, or other transfer of (including installment land sale contracts), or the grant of a security interest in, all or any part of the legal or equitable title to the Property, except as otherwise permitted hereunder; (b) any lease of all or any portion of the Property; or (c) any sale, conveyance, encumbrance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of the Mortgagor, if a corporation or any partnership interest in the Mortgagor, if a partnership, or any membership interest, if a limited liability entity, except in favor of the Mortgagee. Any default under this Section shall cause an immediate acceleration of the Obligations without any demand by the Mortgagee.

5. INSURANCE. The Mortgagor shall keep the Property continuously insured, in an amount not less than the cost to replace the Property or an amount not less than eighty percent (80%) of the full insurable value of the Property, whichever is greater, covering such risks and in such amounts and with such deductibles as are satisfactory to the Mortgagee and its counsel including, without limitation, insurance against loss or damage by fire, with extended coverage and against other hazards as the Mortgagee may from time to time require. With respect to any property under construction or reconstruction, the Mortgagor shall maintain builder's risk insurance. The Mortgagor shall also maintain comprehensive general public liability insurance, in an amount of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate per location, which includes contractual liability insurance for the Mortgagor's obligations under the Leases, and worker's compensation insurance. All property and builder's risk insurance shall include protection for continuation of income for a period of twelve (12)

months, in the event of any damage caused by the perils referred to above. All policies, including policies for any amounts carried in excess of the required minimum and policies not specifically required by the Mortgagee, shall be with an insurance company or companies satisfactory to the Mortgagee, shall be in form satisfactory to the Mortgagee, shall meet all coinsurance requirements of the Mortgagee, shall be maintained in full force and effect, shall be assigned to the Mortgagee, with premiums prepaid, as collateral security for payment of the Obligations, shall be endorsed with a standard mortgagee clause in favor of the Mortgagee and shall provide for at least thirty (30) days notice of cancellation to the Mortgagee. Such insurance shall also name the Mortgagee as an additional insured under the comprehensive general public liability policy and the Mortgagor shall also deliver to the Mortgagee a copy of the replacement cost coverage endorsement. If the Property is located in an area which has been

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identified by any governmental agency, authority or body as a flood hazard area or the like, then the Mortgagor shall maintain a flood insurance policy covering the Property in an amount not less than the original principal amount of the Loan or the maximum limit of coverage available under the federal program, whichever amount is less.

6. RIGHTS OF MORTGAGEE TO INSURANCE PROCEEDS. In the event of loss, the Mortgagee shall have the exclusive right to adjust, collect and compromise all insurance claims, and the Mortgagor shall not adjust, collect or compromise any claims under said policies without the Mortgagee's prior written consent. Each insurer is hereby authorized and directed to make payment under said policies, including return of unearned premiums, directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the Mortgagor appoints the Mortgagee as the Mortgagor's attorney-in-fact to endorse any draft therefor. All insurance proceeds may, at the Mortgagee's sole option, be applied to all or any part of the Obligations and in any order (notwithstanding that such Obligations may not then otherwise be due and payable) or to the repair and restoration of any of the Property under such terms and conditions as the Mortgagee may impose.

7. INSTALLMENTS FOR INSURANCE, TAXES AND OTHER CHARGES. Upon the Mortgagee's request, the Mortgagor shall pay to the Mortgagee monthly, an amount equal to one-twelfth (1/12) of the annual premiums for the insurance policies referred to hereinabove and the annual Impositions and any other item which at any time may be or become a lien upon the Property (the "ESCROW CHARGES"). The amounts so paid shall be used in payment of the Escrow Charges so long as no Event of Default shall have occurred. No amount so paid to the Mortgagee shall be deemed to be trust funds, nor shall any sums paid bear interest. The Mortgagee shall have no obligation to pay any insurance premium or Imposition if at any time the funds being held by the Mortgagee for such premium or Imposition are insufficient to make such payments. If, at any time, the funds being held by the Mortgagee for any insurance premium or Imposition are exhausted, or if the Mortgagee determines, in its sole discretion, that such funds will be insufficient to pay in full any insurance premium or Imposition when due, the Mortgagor shall promptly pay to the Mortgagee, upon demand, an amount which the Mortgagee shall estimate as sufficient to make up the deficiency. Upon the occurrence of an Event of Default, the Mortgagee shall have the right, at its election, to apply any amount so held against the Obligations due and payable in such order as the Mortgagee may deem fit, and the Mortgagor hereby grants to the Mortgagee a lien upon and security interest in such amounts for such purpose.

8. CONDEMNATION. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking by eminent domain of any of the Property, shall notify the Mortgagee of the pendency of such proceedings. The Mortgagee may participate in any such proceedings and the Mortgagor shall deliver to the Mortgagee all instruments requested by it to permit such participation. Any award or compensation for property taken or for damage to property not taken, whether as a result of such proceedings or in lieu thereof, is hereby assigned to and shall be received and collected directly by the Mortgagee, and any award or compensation shall be applied, at the Mortgagee's option, to any part of the Obligations and in any order (notwithstanding that any of such Obligations may not then be due and payable) or to the repair and restoration of any of the Property under such terms and conditions as the Mortgagee may impose.

9. ENVIRONMENTAL MATTERS. (a) For purposes of this Section 9, the term "ENVIRONMENTAL LAWS" shall mean all federal, state and local laws, regulations and orders, whether now or in the future enacted or issued, pertaining to the protection of land, water, air, health, safety or the environment. The term "REGULATED SUBSTANCES" shall mean all substances regulated by Environmental Laws, or which are known or considered to be harmful to the health or safety of persons, or the presence of which may require investigation, notification or remediation under the Environmental Laws. The term "CONTAMINATION" shall mean

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the discharge, release, emission, disposal or escape of any Regulated Substances into the environment.

(b) The Mortgagor represents and warrants (i) that no Contamination is present at, on or under the Property and that no Contamination is being or has been emitted onto any surrounding property; (ii) all operations and activities on the Property have been and are being conducted in accordance with all Environmental Laws, and the Mortgagor has all permits and licenses required under the Environmental Laws; (iii) no underground or aboveground storage tanks are or have been located on or under the Property; and (iv) no legal or administrative proceeding is pending or threatened relating to any environmental condition, operation or activity on the Property, or any violation or alleged violation of Environmental Laws. These representations and warranties shall be true as of the date hereof, and shall be deemed to be continuing representations and warranties which must remain true, correct and accurate during the entire duration of the term of this Mortgage.

(c) The Mortgagor shall ensure, at its sole cost and expense, that the Property and the conduct of all operations and activities thereon comply and continue to comply with all Environmental Laws. The Mortgagor shall notify the Mortgagee promptly and in reasonable detail in the event that the Mortgagor becomes aware of any violation of any Environmental Laws, the presence or release of any Contamination with respect to the Property, or any governmental or third party claims relating to the environmental condition of the Property or the conduct of operations or activities thereon. The Mortgagor also agrees not to permit or allow the presence of Regulated Substances on any part of the Property, except for those Regulated Substances (i) which are used in the ordinary course of the Mortgagor's business, but only to the extent they are in all cases used in a manner which complies with all Environmental Laws; and (ii) those Regulated Substances which are naturally occurring on the Property. The Mortgagor agrees not to cause, allow or permit the presence of any Contamination on the Property.

(d) The Mortgagee shall not be liable for, and the Mortgagor shall indemnify, defend and hold the Mortgagee and the Indemnified Parties (as hereinafter defined) and all of their respective successors and assigns harmless from and against all losses, costs, liabilities, damages, fines, claims, penalties and expenses (including reasonable attorneys', consultants' and contractors' fees, costs incurred in the investigation, defense and settlement of claims, as well as costs incurred in connection with the investigation, remediation or monitoring of any Regulated Substances or Contamination) that the Mortgagee or any Indemnified Party may suffer or incur (including as holder of the Mortgage, as mortgagee in possession or as successor in interest to the Mortgagor as owner of the Property by virtue of a foreclosure or acceptance of a deed in lieu of foreclosure) as a result of or in connection with (i) any Environmental Laws (including the assertion that any lien existing or arising pursuant to any Environmental Laws takes priority over the lien of the Mortgage); (ii) the breach of any representation, warranty, covenant or undertaking by the Mortgagor in this Section 9; (iii) the presence on or the migration of any Contamination or Regulated Substances on, under or through the Property; or (iv) any litigation or claim by the government or by any third party in connection with the environmental condition of the Property or the presence or migration of any Regulated Substances or Contamination on, under, to or from the Property.

(e) Upon the Mortgagee's request, the Mortgagor shall execute and deliver an Environmental Indemnity Agreement satisfactory in form and substance to the Mortgagee, to more fully reflect the Mortgagor's representations, warranties, covenants and indemnities with respect to the Environmental Laws.

10. INSPECTION OF PROPERTY. The Mortgagee shall have the right to enter the Property at any reasonable hour for the purpose of inspecting the order, condition and repair of the buildings and improvements erected thereon, as well as the conduct of operations and activities on the Property. The Mortgagee may

enter the Property (and cause the Mortgagee's employees, agents and consultants to enter the Property), upon prior written notice to the Mortgagor, to conduct any and all environmental testing deemed appropriate by the Mortgagee in its sole discretion. The environmental testing shall be accomplished by whatever means the Mortgagee may deem appropriate, including the taking of soil samples and the installation of ground water monitoring wells or other intrusive environmental tests. The Mortgagor shall provide the Mortgagee (and the Mortgagee's employees, agents and consultants) reasonable rights of access to the Property as well as such information about the Property and the past or present conduct of operations and activities thereon as the Mortgagee shall

reasonably request.

11. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an "EVENT OF DEFAULT" hereunder: (a) any Event of Default (as defined in any of the Obligations); (b) any default under any of the Obligations that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided in such Obligations with respect to such default; (c) demand by the Mortgagee under any of the Obligations that have a demand feature; (d) the Mortgagor's failure to perform any of its obligations under this Mortgage or under any Environmental Indemnity Agreement executed and delivered pursuant to Section 9(e); (e) falsity, inaccuracy or material breach by the Mortgagor of any written warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor; (f) an uninsured material loss, theft, damage, or destruction to any of the Property, or the entry of any judgment against the Mortgagor or any lien against or the making of any levy, seizure or attachment of or on the Property; (g) the Mortgagee's failure to have a mortgage lien on the Property with the priority required under Section 1; (h) any indication or evidence received by the Mortgagee that the Mortgagor may have directly or indirectly been engaged in any type of activity which, in the Mortgagee's discretion, might result in the forfeiture of any property of the Mortgagor to any governmental entity, federal, state or local; (i) foreclosure proceedings are instituted against the Property upon any other lien or claim, whether alleged to be superior or junior to the lien of this Mortgage; (j) the failure by the Mortgagor to pay any Impositions as required under Section 2(c), or to maintain in full force and effect any insurance required under Section 5; or (k) the Mortgagor or any other obligor or guarantor of any of the Obligations, shall at any time deliver or cause to be delivered to the Mortgagee a notice pursuant to 42 Pa. C.S.A. ss.8143 (or any successor or similar law, rule or regulation) electing to limit the indebtedness secured by this Mortgage.

12. RIGHTS AND REMEDIES OF MORTGAGEE. If an Event of Default occurs, the Mortgagee may, at its option and without demand, notice or delay, do one or more of the following:

(a) The Mortgagee may declare the entire unpaid principal balance of the Obligations, together with all interest thereon, to be due and payable immediately.

(b) The Mortgagee may (i) institute and maintain an action of mortgage foreclosure against the Property and the interests of the Mortgagor therein, (ii) institute and maintain an action on any instruments evidencing the Obligations or any portion thereof, and (iii) take such other action at law or in equity for the enforcement of any of the Loan Documents as the law may allow, and in each such action the Mortgagee shall be entitled to all costs of suit and attorneys fees.

(c) The Mortgagee may, in its sole and absolute discretion: (i) collect any or all of the Rents, including any Rents past due and unpaid, (ii) perform any obligation or exercise any right or remedy of the Mortgagor under any Lease, or (iii) enforce any obligation of any tenant of any of the Property. The Mortgagee may exercise any right under this subsection (c), whether or not the Mortgagee shall have entered into possession of any of the Property, and nothing herein contained shall be construed as constituting the Mortgagee a "mortgagee in possession", unless the Mortgagee shall have entered into and shall continue to be in actual possession of the Property. The Mortgagor hereby authorizes and directs each and every present and future tenant of any of the Property to pay all Rents directly to the Mortgagee and to perform all other

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obligations of that tenant for the direct benefit of the Mortgagee, as if the Mortgagee were the landlord under the Lease with that tenant, immediately upon receipt of a demand by the Mortgagee to make such payment or perform such obligations. The Mortgagor hereby waives any right, claim or demand it may now or hereafter have against any such tenant by reason of such payment of Rents or performance of obligations to the Mortgagee, and any such payment or performance to the Mortgagee shall discharge the obligations of the tenant to make such payment or performance to the Mortgagor.

(d) The Mortgagee shall have the right, in connection with the exercise of its remedies hereunder, to the appointment of a receiver to take possession and control of the Property or to collect the Rents, without notice and without regard to the adequacy of the Property to secure the Obligations. A receiver while in possession of the Property shall have the right to make repairs and to make improvements necessary or advisable in its or his opinion to preserve the Property, or to make and keep them rentable to the best advantage, and the Mortgagee may advance moneys to a receiver for such purposes. Any moneys so expended or advanced by the Mortgagee or by a receiver shall be added to and become a part of the Obligations secured by this Mortgage.

13. APPLICATION OF PROCEEDS. The Mortgagee shall apply the proceeds of any foreclosure sale of, or other disposition or realization upon, or Rents or profits from, the Property to satisfy the Obligations in such order of application as the Mortgagee shall determine in its exclusive discretion.

14. CONFESSION OF JUDGMENT IN EJECTMENT. At any time after the occurrence of an Event of Default, without further notice, regardless of whether the Mortgagee has asserted any other right or exercised any other remedy under this Mortgage or any of the other Loan Documents, it shall be lawful for any attorney of any court of record as attorney for the Mortgagor to confess judgment in ejectment against the Mortgagor and all persons claiming under the Mortgagor for the recovery by the Mortgagee of possession of all or any part of the Property, for which this Mortgage shall be sufficient warrant. If for any reason after such action shall have commenced the same shall be discontinued and the possession of the Property shall remain in or be restored to the Mortgagor, the Mortgagee shall have the right upon any subsequent default or defaults to bring one or more amicable action or actions as hereinbefore set forth to recover possession of all or any part of the Property.

15. MORTGAGEE'S RIGHT TO PROTECT SECURITY. The Mortgagee is hereby authorized to do any one or more of the following, irrespective of whether an Event of Default has occurred: (a) appear in and defend any action or proceeding purporting to affect the security hereof or the Mortgagee's rights or powers hereunder; (b) purchase such insurance policies covering the Property as it may elect if the Mortgagor fails to maintain the insurance coverage required hereunder; and (c) take such action as the Mortgagee may determine to pay, perform or comply with any Impositions or Legal Requirements, to cure any Events of Default and to protect its security in the Property.

16. APPOINTMENT OF MORTGAGEE AS ATTORNEY-IN-FACT. The Mortgagee, or any of its officers, is hereby irrevocably appointed attorney-in-fact for the Mortgagor (without requiring any of them to act as such), such appointment being coupled with an interest, to do any or all of the following: (a) collect the Rents after the occurrence of an Event of Default; (b) settle for, collect and receive any awards payable under Section 8 from the authorities making the same; and (c) execute, deliver and file, at Mortgagor's sole cost and expense such financing, continuation or amendment statements and other instruments as the Mortgagee may require in order to perfect, protect and maintain its security interest under the UCC on any portion of the Property.

17. CERTAIN WAIVERS. The Mortgagor hereby waives and releases all benefit that might accrue to the Mortgagor by virtue of any present or future law exempting the Property, or any part of the proceeds arising from any sale

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thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment or any rights of marshalling in the event of any sale hereunder of the Property, and, unless specifically required herein, all notices of the Mortgagor's default or of the Mortgagee's election to exercise, or the Mortgagee's actual exercise of any option under this Mortgage or any other Loan Document.

18. NOTICES. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("NOTICES") must be in writing and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

19. FURTHER ACTS. By its signature hereon, the Mortgagor hereby irrevocably authorizes the Mortgagee to execute (on behalf of the Mortgagor) and file against the Mortgagor one or more financing, continuation or amendment statements pursuant to the UCC in form satisfactory to the Mortgagee, and the Mortgagor will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by the Mortgagee to be necessary or desirable in order to perfect, preserve and protect its security interests. If required by the Mortgagee, the Mortgagor will execute all documentation necessary for the Mortgagee to obtain and maintain perfection of its security interests in the Property. The Mortgagor will, at the cost of the Mortgagor, and without expense to the Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as the Mortgagee shall, from time to time, require for the better assuring, conveying, assigning, transferring or confirming unto the Mortgagee the property and rights hereby mortgaged, or which Mortgagor may be or may hereafter become bound to convey or assign to the Mortgagee, or for carrying out the intent of or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this

Mortgage. The Mortgagor grants to the Mortgagee 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 Mortgagee under the Note, this Mortgage, the other Loan Documents, at law or in equity, including, without limitation, the rights and remedies described in this paragraph.

20. CHANGES IN THE LAWS REGARDING TAXATION. If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Obligations from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Mortgagor or the Mortgagee's interest in the Property, the Mortgagor will pay such tax, with interest and penalties thereon, if any. If the Mortgagee determines that the payment of such tax or interest and penalties by the Mortgagor would be unlawful or taxable to the Mortgagee or unenforceable or provide the basis for a defense of usury, then the Mortgagee shall have the option, by written notice of not less than ninety (90) days, to declare the entire Obligations immediately due and payable.

21. DOCUMENTARY STAMPS. If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note or this Mortgage, or impose any other tax or charge on the same, the Mortgagor will pay for the same, with interest and penalties thereon, if any.

22. PRESERVATION OF RIGHTS. No delay or omission on the Mortgagee's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Mortgagee's action or inaction impair any such right or power. The Mortgagee's

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rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Mortgagee may have under other agreements, at law or in equity.

23. ILLEGALITY. If any provision contained in this Mortgage should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Mortgage.

24. CHANGES IN WRITING. No modification, amendment or waiver of, or consent to any departure by the Mortgagor from, any provision of this Mortgage will be effective unless made in a writing signed by the Mortgagee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Mortgagor will entitle the Mortgagor to any other or further notice or demand in the same, similar or other circumstance.

25. ENTIRE AGREEMENT. This Mortgage (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

26. SURVIVAL; SUCCESSORS AND ASSIGNS. This Mortgage will be binding upon and inure to the benefit of the Mortgagor and the Mortgagee and their respective heirs, executors, administrators, successors and assigns; PROVIDED, HOWEVER, that the Mortgagor may not assign this Mortgage in whole or in part without the Mortgagee's prior written consent and the Mortgagee at any time may assign this Mortgage in whole or in part; and PROVIDED, FURTHER, that the rights and benefits under the Paragraphs entitled "Environmental Matters", "Inspection of Property" and "Indemnity" shall also inure to the benefit of any persons or entities who acquire title or ownership of the Property from or through the Mortgagee or through action of the Mortgagee (including a foreclosure, sheriff's or judicial sale). The provisions of Paragraphs entitled "Environmental Matters", "Inspection of Property" and "Indemnity" shall survive the termination, satisfaction or release of this Mortgage, the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure.

27. INTERPRETATION. In this Mortgage, unless the Mortgagee and the Mortgagor otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Mortgage; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Mortgage. Section headings in this Mortgage are included for convenience of reference only and shall not constitute a part of this Mortgage for any other purpose. If this

Mortgage is executed by more than one party as Mortgagor, the obligations of such persons or entities will be joint and several.

28. INDEMNITY. The Mortgagor agrees to indemnify each of the Mortgagee, each legal entity, if any, who controls, is controlled by or is under common control with the Mortgagee and each of their respective directors, officers, employees and agents (the "INDEMNIFIED PARTIES"), and to hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur, or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Mortgagor), in connection with or arising out of or relating to the matters referred to in this Mortgage or in the other Loan Documents, whether

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(a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Mortgagor, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; PROVIDED, HOWEVER, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Mortgage, payment of any Obligations and assignment of any rights hereunder. The Mortgagor may participate at its expense in the defense of any such action or claim.

29. GOVERNING LAW AND JURISDICTION. This Mortgage has been delivered to and accepted by the Mortgagee and will be deemed to be made in the State where the Mortgagee's office indicated above is located. THIS MORTGAGE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED (IF DIFFERENT FROM THE STATE WHERE SUCH OFFICE OF THE MORTGAGEE IS LOCATED) SHALL GOVERN THE CREATION, PERFECTION AND FORECLOSURE OF THE LIENS CREATED HEREUNDER ON THE PROPERTY OR ANY INTEREST THEREIN. The Mortgagor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in Philadelphia County, Pennsylvania provided that nothing contained in this Mortgage will prevent the Mortgagee from bringing any action, enforcing any award or judgment or exercising any rights against the Mortgagor individually, against any security or against any property of the Mortgagor within any other county, state or other foreign or domestic jurisdiction. The Mortgagee and the Mortgagor agree that the venue provided above is the most convenient forum for both the Mortgagee and the Mortgagor. The Mortgagor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Mortgage.

30. AUTHORIZATION TO OBTAIN CREDIT REPORTS. By signing below, each Mortgagor who is an individual provides written authorization to the Mortgagee or its designee (and any assignee or potential assignee hereof) authorizing review of the Mortgagor's personal credit profile from one or more national credit bureaus. Such authorization shall extend to obtaining a credit profile in considering the Obligations and/or this Mortgage and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account.

31. CHANGE IN NAME OR LOCATIONS. The Mortgagor hereby agrees that if the location of any of the Property changes from the Land or its chief executive office, or if the Mortgagor changes its name, its type of organization, its state of organization (if Mortgagor is a registered organization), its principal residence (if Mortgagor is an individual), its chief executive office (if Mortgagor is a general partnership or non-registered organization) or establishes a name in which it may do business that is not the current name of the Mortgagor, the Mortgagor will immediately notify the Mortgagee in writing of the additions or changes.

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32. WAIVER OF JURY TRIAL. THE MORTGAGOR IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS MORTGAGE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS MORTGAGE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE MORTGAGOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

THE MORTGAGOR ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS MORTGAGE, INCLUDING THE WAIVER OF JURY TRIAL, AND HAS BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

[CORPORATE SEAL]

QUIGLEY MANUFACTURING INC.

Attest: /s/ Charles A. Phillips

By: /s/ George J. Longo

Print Name: Charles A. Phillips

Print Name: George J. Longo

Title: VP

Title: V.P. - CFO

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CERTIFICATE OF RESIDENCE

The undersigned certifies that the residence of the Mortgagee is 1600 Market Street, Philadelphia, PA 19103.

/s/ John Siegrist

On behalf of the Mortgagee

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COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF BUCKS)

On this, the 1st day of October, 2004, before me, a Notary Public, the undersigned officer, personally appeared George J. Longo, who acknowledged himself/herself to be the Vice President of Quigley Manufacturing Inc., a Delaware corporation, and that he/she, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Joanne J. Taylor

Notary Public

My commission expires: March 21, 2005

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EXHIBITS
Lancaster County

A. LEGAL DESCRIPTION (ATTACHED HERETO)

B. PERMITTED ENCUMBRANCES:

Rights or claims by parties in possession or under the terms of any unrecorded lease or agreement(s) of sale.

Water and Sewer Rents due for current year, not yet due and payable.

Liability for possible additional assessment for County Taxes, School Taxes and Municipal Taxes; and/or for new construction and/or major improvements to premises, not yet due and payable.

Subject to restrictions as set forth in Record Book N-42, page 43.

Subject to restrictions as set forth in Record Book H-40, page 425.

Subject to Agreement as set forth in Record Book S-44, page 248.

Easement of alley along the south side of premises.

Acreage content not insured.

31 NORTH SPRUCE STREET AND NORTH SPRUCE STREET:

ALL THAT CERTAIN tract or piece of land situated on the east side of North Spruce Street in the Borough of Elizabethtown, County of Lancaster and Commonwealth of Pennsylvania, and having thereon erected a factory building and other improvements, and known and numbered as 31 North Spruce Street, and bounded and described as follows, to wit:

BEGINNING at the northwest corner thereof at the southeast corner of the intersection of North Spruce Street and Snyder Avenue, thence along the south side of Snyder Avenue in an easterly direction, one hundred eighty-three and five hundredths (183.05) feet to a point; thence by land now or formerly of Anna Kline (K-43-330), South seventeen (17) degrees east, one hundred twenty-eight and eighty-four hundredths (128.84) feet to a point on the north side of Mechanics Street (also known as Mechanics Alley); thence along the north side of Mechanics Street in a Westerly direction, one hundred eighty-three and five hundredths (183.05) feet to a point on the east side of North Spruce Street; thence along the east side of North Spruce Street in a northerly direction, one hundred twenty-seven and three tenths (127.3) feet to the place of BEGINNING.

AND

234 SNYDER AVENUE:

ALL THAT CERTAIN tract or piece of ground with a one and one-half story brick dwelling and garage thereon erected, situated on the South side of Snyder Avenue, in the Borough of Elizabethtown, County of Lancaster and Commonwealth of Pennsylvania, known and numbered as 234 Snyder Avenue, and being part of Lot No. 3 on the revised plan of lots prepared by Rodney R. Waltermeyer, R.S., in December 1950, and known as Snyder-Hess Subdivision Plan, more particularly bounded and described according to a more recent survey made by Rodney Waltermeyer, R.S., dated February 1954, as follows to wit:

BEGINNING at a stake at the Southwest corner of the intersection of Snyder Avenue and North Locust Street; thence along the West side of North Locust Street, South seventeen (17) degrees East, one hundred twenty-nine and thirty-seven hundredths (129.37) feet to a stake on the North side of Mechanics Street; thence along the North side of Mechanics Street, South seventy-three (73) degrees West, sixty-six (66) feet to a stake on the North side of Mechanics Street; thence along the remaining portion of Lot No.3, now or formerly of the party of the Second Part herein (31 North Spruce Street), North seventeen (17) degrees West, one hundred twenty-eight and eighty-four hundredths (128.84) feet to a stake on the South side of Snyder Avenue; thence along the South side of Snyder Avenue, North seventy-two (72) degrees East, sixty-six (66) feet to the place of BEGINNING.

EXHIBIT A

OPEN-END MORTGAGE AND SECURITY AGREEMENT

QUIGLEY MANUFACTURING INC.

Mortgagor

AND

PNC BANK, NATIONAL ASSOCIATION,

Mortgagee

Return to:

PNC Bank, National Association
1600 Market Street
Philadelphia, PA 19103

Attention: John Siegrist

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "AGREEMENT") is made and entered into as of October 1, 2004, by and among The Quigley Corporation, a Nevada corporation (the "COMPANY"), and the undersigned shareholders (each, a "SHAREHOLDER" and collectively, the "SHAREHOLDERS").

WHEREAS:

A. In connection with that certain Asset Purchase and Sale Agreement by and between Joel, Inc. ("JOEL") and the Company (the "PURCHASE AGREEMENT"), the Company has agreed, upon the terms and subject to the conditions of the Purchase Agreement, to issue 113,097 shares of the Company's common stock, \$.0005 par value per share (the "COMMON STOCK") to the Shareholders as part of the consideration for the Acquired Assets (as such term is defined in the Purchase Agreement);

B. To induce the Shareholders to execute and deliver the Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "SECURITIES ACT"), and applicable state securities laws.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Shareholders hereby agree as follows.

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"BUYBACK DATE" means the 180th day following the Closing Date, PROVIDED, HOWEVER, that the Buyback Date shall be extended beyond the 180th day following the Closing Date for any time period of delay that is the result solely of Joel's need to address any regulatory agency concerns regarding the adequacy of Joel's financial statements.

"CALL RIGHT" shall have the meaning set forth in Section 2(b).

"CASH PAYMENT" shall have the meaning set forth in Section 2(b).

"CLOSING DATE" means the date on which the closing of the transactions contemplated by the Purchase Agreement occurs.

"COMMISSION" means the Securities and Exchange Commission.

"EFFECTIVE REGISTRATION DATE" means the date on which the Commission declares the Registration Statement to be effective.

"EFFECTIVENESS DATE" means the 120th day following the Closing Date, PROVIDED, however, that the Effectiveness Date shall be extended beyond the 120th day following the Closing Date for any time period of delay that is the

result solely of Joel's need to address any regulatory agency concerns regarding the adequacy of Joel's financial statements.

"EFFECTIVENESS PERIOD" shall have the meaning set forth in Section 2(a).

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, or any similar successor statute.

"INDEMNIFIED PARTY" shall have the meaning set forth in Section 5(c).

"INDEMNIFYING PARTY" shall have the meaning set forth in Section 5(c).

"PROCEEDING" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"PROSPECTUS" means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as

amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"PUT RIGHT" shall have the meaning set forth in Section 2(c).

"REGISTRABLE SECURITIES" means the shares of Common Stock issued upon the closing of the transactions contemplated by the Purchase Agreement, including any securities which may thereafter be issued in respect of any such share of Common Stock in the event of any stock split, stock dividend, recapitalization or reclassification; share exchange, consolidation, merger or reorganization; distribution of warrants or other rights; or other like issuances or distributions of securities.

"REGISTRATION STATEMENT" means each registration statement required to be filed hereunder, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"RULE 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"RULE 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"TRADING MARKET" means any of the NASD OTC Bulletin Board, NASDAQ SmallCap Market, the Nasdaq National Market, the American Stock Exchange or the New York Stock Exchange.

2. Registration.

(a) Within 20 days following the Closing Date, the Company shall prepare and use its best efforts to file with the Commission a Registration Statement covering the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith). The Company shall cause the Registration Statement to become effective and remain effective as provided herein. The Company shall use its reasonable commercial efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the Effectiveness Date. The Company shall use its reasonable commercial efforts to keep the Registration Statement continuously effective under the Securities Act until the date which is the earlier date of when (i) all Registrable Securities have been effectively registered under the Securities Act and disposed of in accordance with the Registration Statement covering them, (ii) all Registrable Securities are distributed to the public pursuant to Rule 144 (or any similar provision then in force) under the Securities Act, or (iii) all Registrable Securities are otherwise freely transferable without restriction under the Securities Act (the "EFFECTIVENESS PERIOD").

(b) Following the Effective Registration Date and upon notice of a sale by a Shareholder and confirmation by such Shareholder that he has complied with the prospectus delivery requirements, the Company shall cause its counsel to issue an opinion to the transfer agent stating that the shares are subject to an effective registration statement and can be reissued free of restrictive legend.

3. Registration Procedures. If and whenever the Company is required by the provisions hereof to effect the registration of any Registrable Securities under the Securities Act, the Company will, as expeditiously as possible:

(a) prepare and file with the Commission the Registration Statement with respect to such Registrable Securities, respond as promptly as possible to any comments received from the Commission, and use its best efforts to cause the Registration Statement to become and remain effective for the Effectiveness Period with respect thereto;

(b) prepare and file with the Commission such amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by the Registration Statement and to keep such Registration Statement effective until the expiration of the Effectiveness Period;

(c) furnish to the Shareholders such reasonable number of copies of the Registration Statement and the Prospectus included therein as such Shareholders may request in order to facilitate the public sale or disposition of the

Registrable Securities covered by the Registration Statement;

(d) list the Registrable Securities covered by the Registration Statement with any Trading Market on which the Common Stock of the Company is then listed;

(e) use its commercially reasonable efforts to register or qualify the Registrable Securities covered by the Registration Statement under such state securities or blue sky laws of such jurisdictions as such Shareholders may reasonably request; PROVIDED, HOWEVER, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to subject itself to taxation in connection with any such registration or qualification of such Registrable Securities;

(f) immediately notify the Shareholders at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event of which the Company has knowledge as a result of which the Prospectus contained in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing; and

(g) prepare and promptly file with the Commission and promptly notify the Shareholders of the filing of such amendments or supplements to such Registration Statement or Prospectus as may be necessary to correct any statements or omissions if, at the time when a Prospectus relating to such Registrable Securities is required to be delivered under the Securities Act, any event has occurred as the result of which any such Prospectus or any other Prospectus then in effect may include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. Registration Expenses. All expenses relating to the Company's compliance with Sections 2 and 3 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and independent public accountants for the Company, fees of the NASD, transfer taxes, fees of transfer agents and registrars, fees of, and disbursements incurred by, one counsel for the Shareholders (to the extent such counsel is required due to Company's failure to meet any of its obligations hereunder), are called "REGISTRATION EXPENSES." All selling commissions applicable to the sale of Registrable Securities, including any fees and disbursements of any special counsel to the Shareholders beyond those included in Registration Expenses, are called "SELLING EXPENSES" and shall be the responsibility of the Shareholders. The Company shall only be responsible for all Registration Expenses.

5. Indemnification.

(a) In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless the Shareholders against any losses, claims, damages or liabilities,

joint or several, to which the Shareholders may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Securities were registered under the Securities Act pursuant to this Agreement, any final Prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Shareholders for any reasonable legal or other expenses incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by or on behalf of the Shareholders in writing specifically for use in any such document.

(b) In the event of a registration of the Registrable Securities under the Securities Act pursuant to this Agreement, each of the Shareholders will

indemnify and hold harmless the Company, and its officers, directors and each other person, if any, who controls the Company within the meaning of the Securities Act, against all losses, claims, damages or liabilities, joint or several, to which the Company or such persons may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact which was furnished in writing by such Shareholder to the Company expressly for use in (and such information is contained in) the Registration Statement under which such Registrable Securities were registered under the Securities Act pursuant to this Agreement, any preliminary Prospectus or final Prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission in information furnished in writing to the Company by such Shareholder to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and each such person for any reasonable legal or other expenses incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action, provided, however, that such Shareholder will be liable in any such case if and only to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished in writing to the Company by or on behalf of such Shareholder specifically for use in any such document.

(c) Promptly after receipt by a party entitled to claim indemnification hereunder (an "Indemnified Party") of notice of the commencement of any action, such Indemnified Party shall, if a claim for indemnification in respect thereof is to be made against a party hereto obligated to indemnify such Indemnified Party (an "Indemnifying Party"), notify the Indemnifying Party in writing thereof, but the omission so to notify the Indemnifying Party shall not relieve it from any liability which it may have to such Indemnified Party other than under this Section 5(c) and shall only relieve it from any liability which it may have to such Indemnified Party under this Section 5(c) if and to the extent the Indemnifying Party is prejudiced by such omission. In case any such action shall be brought against any Indemnified Party and it shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel satisfactory to such Indemnified Party, and, after notice from the Indemnifying Party to such Indemnified Party of its election so to assume and undertake the defense thereof, the Indemnifying

Party shall not be liable to such Indemnified Party under this Section 5(c) for any legal expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; if the Indemnified Party retains its own counsel, then the Indemnified Party shall pay all fees, costs and expenses of such counsel, provided, however, that, if the defendants in any such action include both the indemnified party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be reasonable defenses available to it which are different from or additional to those available to the Indemnifying Party or if the interests of the Indemnified Party reasonably may be deemed to conflict with the interests of the Indemnifying Party, the Indemnified Party shall have the right to select one separate counsel and to assume such legal defenses and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the Indemnifying Party as incurred.

(d) In order to provide for just and equitable contribution in the event of joint liability under the Securities Act in any case in which either (i) a Shareholder makes a claim for indemnification pursuant to this Section 5 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 5 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of such Shareholder in circumstances for which indemnification is provided under this Section 5; then, and in each such case, the Company and such Shareholder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the Indemnified Party in connection with the actions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that, in any such case, no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 10(f) of the Act) will be entitled to contribution from any person or entity who was not guilty of such

fraudulent misrepresentation. The amount paid or payable by a party as a result of the losses, claims, damages or liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Shareholder, of any of their respective obligations under this Agreement, each Shareholder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement.

(b) No Piggyback on Registrations. Neither the Company nor any of its security holders (other than the Shareholders in such capacity pursuant hereto) may include securities of the Company in any Registration Statement other than the Registrable Securities, and the Company shall not after the date hereof enter into any agreement providing any such right for inclusion of shares in the Registration Statement to any of its security holders. The Company has not previously entered into any agreement granting any registration rights with respect to any of its securities to any person that have not been fully satisfied.

(c) Compliance. Each Shareholder covenants and agrees that he will comply with the prospectus delivery requirements of the Securities Act as applicable to him in connection with sales of Registrable Securities pursuant to the Registration Statement.

(d) Discontinued Disposition. Each Shareholder agrees by his acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of a Discontinuation Event (as defined below), such Shareholder will forthwith discontinue disposition of such Registrable Securities under the applicable Registration Statement until such Shareholder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the "ADVICE") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide appropriate stop orders to enforce the provisions of this paragraph. For purposes of this Section 6(d), a "DISCONTINUATION EVENT" shall mean (i) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement; (ii) any request by the Commission or any other Federal or state governmental authority for amendments or supplements to such Registration Statement or Prospectus or for additional information; (iii) the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and/or (v) the occurrence of any event or passage of time that makes the financial statements included in such Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company shall promptly take any and all commercially reasonable actions necessary to rectify any Discontinuation Event such that the use of the applicable Prospectus may be resumed.

(e) Piggy-Back Registrations. If at any time during the Effectiveness Period there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity

securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans, then the Company shall send to each Shareholder written notice of such determination and, if within fifteen days after receipt of such notice, any

such Shareholder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Shareholder requests to be registered to the extent the Company may do so without violating registration rights of others which exist as of the date of this Agreement, subject to customary underwriter cutbacks applicable to all holders of registration rights and subject to obtaining any required consent of any selling stockholder(s) to such inclusion under such registration statement.

(f) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Shareholders of the then outstanding Registrable Securities. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of certain Shareholders and that does not directly or indirectly affect the rights of other Shareholders may be given by Shareholders of at least a majority of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence.

(g) Notices. Any notice or request hereunder may be given to the Company or the Shareholder at the respective addresses set forth below or as may hereafter be specified in a notice designated as a change of address under this Section 6(g). Any notice or request hereunder shall be given by registered or certified mail, return receipt requested, hand delivery, overnight mail, Federal Express or other national overnight next day carrier (collectively, "COURIER") or telecopy (confirmed by mail). Notices and requests shall be, in the case of those by hand delivery, deemed to have been given when delivered to any party to whom it is addressed, in the case of those by mail or overnight mail, deemed to have been given three (3) business days after the date when deposited in the mail or with the overnight mail carrier, in the case of a Courier, the next business day following timely delivery of the package with the Courier, and, in the case of a telecopy, when confirmed. The address for such notices and communications shall be as follows:

(i) If to the Company: The Quigley Corporation
 Attention: Guy Quigley, President
 P.O. Box 1349
 621 N. Shady Retreat Road
 Doylestown, PA 18901

With a copy to: Thomas F. J. MacAniff, Esq.
 Eastburn and Gray, P.C.
 P.O. Box 1389
 60 East Court Street
 Doylestown, PA 18901

(ii) If to a Shareholder: To the name and address set forth under such Shareholder's signature on the signature pages hereto.

or such other address as may be designated in writing hereafter in accordance with this Section 6(g) by such person.

(h) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Shareholder. The Company may not assign its rights or obligations hereunder without the prior written consent of each Shareholder. Each Shareholder may not assign their respective rights hereunder without the prior written consent of the Company; PROVIDED, HOWEVER, that in the event of a transfer of Registrable Securities in which the transferor receives no tangible consideration (such as, but not limited to, a transfer to the estate or heirs in the case of a deceased Shareholder), the transferee shall have all rights theretofore held by the transferor under this Agreement.

(i) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement shall

be commenced exclusively in the Court of Common Pleas of Bucks County, Pennsylvania. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Court of Common Pleas of Bucks County, Pennsylvania for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party 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. If either party shall commence a Proceeding to enforce any provisions of this Agreement, then the prevailing party in such Proceeding shall be reimbursed by the other party for its reasonable attorneys fees and other

costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(k) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(m) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(n) Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, singular or plural as the context may require. All references herein to "he," "him" or "his" or "she," "her" or "hers" shall be for purposes of simplicity and are not intended to be a reference to a particular gender.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

The Quigley Corporation

By: /s/ Guy Quigley

Name: Guy Quigley
Title: President

/s/ David B. Deck

David B. Deck

Address:
551 Blossom Trail
Mt. Joy, PA 17552

/s/ Cheryl K. Deck

Cheryl K. Deck

Address:

551 Blossom Trail
Mt. Joy, PA 17552

/s/ Sandra K. Sattazahn

Sandra K. Sattazahn

Address:
600 Mine Road
Lebanon, PA 17042

/s/ Kristin L. Deck

Kristin L. Deck

Address:
112 Mountain Stone Drive
Elizabethtown, PA 17022

/s/ Andrew D. Deck

Andrew D. Deck

Address:
327 Springton Way
Lancaster, PA 17601

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made this 1st day of October, 2004, between QUIGLEY MANUFACTURING INC., a Delaware corporation, as employer (hereinafter "Employer"), and DAVID B. DECK (hereinafter "Employee")

W I T N E S S E T H:

WHEREAS, the Employer agrees to hire and employ Employee according to the terms and conditions stated herein; and,

WHEREAS, the Employee agrees to render Employer services according to the terms and conditions stated herein;

NOW, THEREFORE, in consideration of the mutual promises herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

1. EMPLOYEE'S DUTIES AND TITLE. Employer hereby employs Employee to render services to Employer in the title and capacity of President, with assigned duties and tasks as specified by Employer's Board of Directors, including, by way of example only and without limitation: responsibility for Employer's day-to-day manufacturing operations and affairs at the Pharmaloz facility in Lebanon, PA and the Simon Candy facility in Elizabethtown, PA. Employee's job description shall be as described on Exhibit "A" attached hereto and made a part hereof. In no event shall Employee's job description or responsibilities be materially changed without his consent, nor shall Employee be obligated to relocate without his consent. The Employee hereby accepts such employment for the period stated in Paragraph 2, and agrees to devote his full time and attention and his best talents and expertise to the duties of employment hereby accepted by him.

2. TERM OF EMPLOYMENT. The term of Employee's employment under this Agreement shall commence on the date hereof ("Commencement Date") and continue until the close of business on December 31, 2006 (the "Termination Date"), unless sooner terminated pursuant to paragraph 5 of this Agreement; PROVIDED, however that the term will automatically renew on the Termination Date, and on each subsequent anniversary of the Termination Date (each, an "ANNIVERSARY DATE") for an additional one-year period unless either party shall give written notice of non-renewal to the other not less than sixty (60) days prior to the Termination Date or the then-applicable Anniversary Date, in which event this Agreement shall terminate on the Termination Date or at the end of the one-year period then in effect.

3. COMPENSATION. As compensation to the Employee pursuant to services rendered under this contract, the Employer shall pay to Employee and Employee shall accept the following salary, other compensation, and benefits:

(a) Employer shall pay the Employee a base salary at an annual rate, of One Hundred Twenty Five Thousand Dollars (\$125,000.00) per year, or such greater amount as the Board of Directors may from time to time determine.

(b) The Employee shall be entitled to such bonuses and incentive compensation as may be awarded in the discretion of the Board of Directors.

(c) The Employee shall receive, at the Employer's expense, family healthcare coverage through such health insurance plan as is established by Employer, and shall be entitled to participate in any employee benefit plans established by Employer, including, without limitation, pension and profit sharing plans, and savings plans, which are generally applicable to the Employer's employees; provided, however, that (1) the Employee's receipt of such benefits is pursuant to and determined by the provisions of such plans, and (2) the Employer reserves the right to modify or eliminate and or all such plans, so long as Employer maintains and/or makes available employee benefits comparable to those available to Employee through JOEL, Inc. as of July 1, 2004.

(d) Employee shall be entitled to participate in the stock option plan sponsored by The Quigley Corporation ("TQC") for officers and executives of TQC and Employer, and TQC's Board (through its Compensation Committee) shall make periodic determinations whether to award options to Employee in accordance with determinations made by such Committee regarding similarly situated officers.

4. VACATION BENEFITS; EXPENSE REIMBURSEMENT.

(a) The Employee shall be entitled to six (6) weeks paid vacation in each calendar year (pro rated for 2004) during the term of his employment hereunder.

(b) The Employer shall reimburse the Employee for necessary and appropriate travel and business expenses incurred by Employee on behalf of the Employer

5. TERMINATION. Employee's employment under this Agreement shall terminate upon occurrence of any of the events described in the following subparagraphs (a) through (c):

(a) In the event of Employee's violation of any of the covenants of this Agreement, his employment shall automatically and immediately terminate; PROVIDED, however, that Employer provides Employee with ten (10) days' written notice of any such violation, and Employee has failed to cure the violation within such 10-day period. No further payments or benefits whatsoever shall be due to the Employee or any beneficiary under this Agreement as of the date of said violation.

(b) The Employer may terminate the employment of the Employee for "cause" at any time, in which event neither the Employee nor his beneficiaries or estate shall be entitled to any further payments hereunder. For purposes of this Agreement, "cause" shall mean:

(i) The misappropriation of funds or property of the Employer;

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(ii) Any attempt to obtain personal profit from the Employer by actions that are adverse to the interests of the Employer;

(iii) Unreasonable neglect or refusal to perform duties assigned to him; or

(iv) Conviction of a felony.

(c) If the Employee dies during the term of his employment under this Agreement, his employment shall automatically terminate, and Employee and his estate and beneficiaries shall only be entitled to such benefits, if any, as are provided under the Employer's benefit plans in the event of an employee's death, as well as any compensation due but not paid through the date of death.

6. COVENANT NOT TO COMPETE. Except as provided in paragraph (b) below:

(a) Employee agrees, that during the term of his employment under this Agreement and for a period of two (2) years thereafter, that:

(i) He shall not associate with, enter into the employ of, or render any services to any business that competes with Employer or a business that conducts similar business (as defined below) to the business of Employer, within a twenty-five (25) mile radius of the Employer's facilities in Lebanon and Elizabethtown, Pennsylvania.

(ii) He shall not solicit, divert, or induce customers or clients of Employer to obtain similar products or services from others, including any competitor of the Employer.

(iii) He shall not acquire any financial interest, other than for full consideration, in any competitor in a similar business to the business of Employer (including any interest in any publicly-traded entity) that competes with Employer anywhere in the United States.

"Similar business" as used in the foregoing subparagraphs shall include, but not be limited to, the business of manufacture, distribution and sale of (a) cold-relief products, (b) allergy-relief products, and (c) health and nutritional supplements.

(b) The provisions of paragraphs (a)(i) - (iii) shall not apply if Employee's employment terminates because of a sale, merger, consolidation, or similar transaction involving the Employer.

7. CONFIDENTIALITY/SECURITY COVENANTS.

(a) During the period of his employment hereunder, and for a period of five (5) years thereafter, Employee agrees that he shall not:

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(i) Use, divulge, or communicate to anyone, either orally, in writing, or by electronic means, the names and/or addresses of Employer's customers or clients, or the details of any transactions or financial matters of Employer, whether or not such information was available to Employee during his employment.

(ii) Use, divulge or communicate to anyone, either orally, in writing, or by electronic means, any Employer trade secrets, patents, formulas, processes, manufacturing methods, or data supplied or available to him in connection with his employment.

(b) Employee agrees that all trade secrets, formulas, patents, processes, manufacturing methods, data, documents, equipment, property, customer and supplier information, financial information, sales and marketing data, and other information provided to the Employee by the Employer, or obtained by the Employee, in the course of, or in connection with, his employment, are and shall remain the property of the Employer and shall be returned to the Employer by the Employee immediately upon termination of Employee's employment, and no copies or reproductions thereof in any form shall be retained by Employee.

8. INJUNCTIVE RELIEF. In the event of a breach by Employee of any of the covenants contained in paragraphs 6 and 7 of this Agreement, Employee agrees that money damages shall not be an adequate remedy for such breach, and Employer shall, in addition to all other remedies for such breach provided for under this Agreement or applicable law, have the right to request immediate and permanent injunctive relief to enjoin and restrain such breach and any consequences thereof.

9. EMPLOYER'S PROPRIETARY RIGHTS. Employee agrees that all inventions and products developed by the Employee during the term of his employment under this Agreement shall be owned by and be the exclusive property of the Employer.

10. MISCELLANEOUS.

(a) This Agreement supersedes any and all prior agreements or understandings, oral or written, with respect to the employment of the Employee with the Employer. This Agreement may not be altered or terminated orally, and shall be modified only by a subsequent written Agreement executed by both the Employee and the Employer.

(b) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(c) This Agreement shall be binding upon and shall inure to the benefit of the Employer and its successors and assigns; PROVIDED, however, that Employer shall not assign or transfer (by operation of law or otherwise) this Agreement without the express prior written consent of Employee. This Agreement shall be binding upon and shall inure to the benefit of the Employee, his heirs, executors and personal representatives, and shall not be assigned by the Employee and any attempted assignment shall be in violation of this Agreement and shall be null

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and void.

(d) Whenever possible, each provisions of this Agreement shall be interpreted in such a manner as to make all provisions effective and valid; but, if any provision in this Agreement is held to be invalid, illegal or unenforceable, such provision will be ineffective without invalidating the remainder of this Agreement.

(e) All notices, demands or other communications, shall be delivered to the Employer or Employee at the following addresses which may be changed from time to time by either party within thirty (30) days' written notice:

To the Employer:

Guy J. Quigley, President/CEO
The Quigley Corporation 621
Shady Retreat Road P.O. Box 1349
Doylestown, PA 18901

To the Employee:

David B. Deck

31 North Spruce Street
P.O. Box 488
Elizabethtown, PA 17022

(f) All rights and remedies granted to the Employer hereunder shall not be exclusive, but shall be in addition to all rights and remedies available to the Employer at law or in equity.

(g) Unless otherwise specifically defined within this Agreement, words and phrases shall be construed and interpreted according to their common usage and meaning. Headings and titles are for reference purposes only and are not to be construed as part of this Agreement.

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IN WITNESS WHEREOF, the Employer, by its authorized representative, and Employee have caused this Agreement to be executed and made, all as of the day and year first written above.

Quigley Manufacturing, Inc.

By: /s/ George J. Longo

George J. Longo, V.P.

/s/ David B. Deck

David B. Deck ("Employee")

THE QUIGLEY CORPORATION hereby unconditionally and irrevocably guarantees to Employee the full and punctual payment and performance of all obligations when due of Employer under this Employment Agreement.

THE QUIGLEY CORPORATION

By: /s/ Guy J. Quigley

Guy J. Quigley, President

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Exhibit "A"

SUMMARY JOB DESCRIPTION FOR PRESIDENT

Essential duties and responsibilities of the President's job is to:

1. Establish current and long term objectives, plans and policies subject to approval by the Board of Directors;
2. Supervise those employees who report directly to the President and, at minimum, performs annual performance evaluations of those employees;
3. Final decision-maker regarding hiring and firing of employees;
4. Dispense advice, guidance, direction, and authorization to carry out major plans and procedures consistent with established policies and Board approval;
5. Oversee organization's financial structure;
6. Review operating results of the organization, comparing them to established objectives, and takes steps to help correct unsatisfactory results;
7. Establishes and maintains an effective system of communications throughout the organization;
8. Represent the organization with major customers, the financial community, major suppliers, and the public;
9. Plus such other duties as directed by the Board of Directors.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made this 1st day of October, 2004, between QUIGLEY MANUFACTURING INC., a Delaware corporation, as employer (hereinafter "Employer"), and DAVID HESS (hereinafter "Employee")

W I T N E S S E T H:

WHEREAS, the Employer agrees to hire and employ Employee according to the terms and conditions stated herein; and,

WHEREAS, the Employee agrees to render Employer services according to the terms and conditions stated herein;

NOW, THEREFORE, in consideration of the mutual promises herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

1. EMPLOYEE'S DUTIES AND TITLE. Employer hereby employs Employee to render services to Employer in the title and capacity of Chief Operating Officer, with assigned duties and tasks as specified by Employer's Board of Directors, including, by way of example only and without limitation: responsibility for production and manufacturing, technical guidance, employee supervision and other matters related to Employer's day-to-day manufacturing operations and affairs at the Pharnaloz facility in Lebanon, PA and the Simon Candy facility in Elizabethtown, PA. Employee's job description shall be as described on Exhibit "A" attached hereto and made a part hereof. In no event shall Employee's job description or responsibilities be materially changed without his consent, nor shall Employee be obligated to relocate without his consent. The Employee hereby accepts such employment for the period stated in Paragraph 2, and agrees to devote his full time and attention and his best talents and expertise to the duties of employment hereby accepted by him.

2. TERM OF EMPLOYMENT. The term of Employee's employment under this Agreement shall commence on the date hereof ("Commencement Date") and continue until the close of business on December 31, 2006 (the "Termination Date"), unless sooner terminated pursuant to paragraph 5 of this Agreement; PROVIDED, however that the term will automatically renew on the Termination Date, and on each subsequent anniversary of the Termination Date (each, an "ANNIVERSARY DATE") for an additional one-year period unless either party shall give written notice of non-renewal to the other not less than sixty (60) days prior to the Termination Date or the then-applicable Anniversary Date, in which event this Agreement shall terminate on the Termination Date or at the end of the one-year period then in effect.

3. COMPENSATION. As compensation to the Employee pursuant to services rendered under this contract, the Employer shall pay to Employee and Employee shall accept the following salary, other compensation, and benefits:

(a) Employer shall pay the Employee a base salary at an annual rate, of One Hundred Four Thousand Dollars (\$104,000.00) per year, or such greater amount as the Board of Directors may from time to time determine.

(b) Employer shall, during the term of this Agreement, pay the premium for a \$500,000 term life insurance policy obtained by Employer in Employee's name. Employer's payment of the premium shall be subject to all applicable federal, state or local employment or withholding taxes.

(c) The Employee shall be entitled to such bonuses and incentive compensation as may be awarded in the discretion of the Board of Directors.

(d) The Employee shall receive, at the Employer's expense, family healthcare coverage through such health insurance plan as is established by Employer, and shall be entitled to participate in any employee benefit plans established by Employer, including, without limitation, pension and profit sharing plans, and savings plans, which are generally applicable to the Employer's employees; provided, however, that (1) the Employee's receipt of such benefits is pursuant to and determined by the provisions of such plans, and (2) the Employer reserves the right to modify or eliminate and or all such plans, so long as Employer maintains and/or makes available employee benefits comparable to those available to Employee through JOEL, Inc. as of July 1, 2004.

(e) Employee shall be entitled to participate in the stock option plan sponsored by The Quigley Corporation ("TQC") for officers and executives of TQC and Employer, and TQC's Board (through its Compensation Committee) shall make periodic determinations whether to award options to Employee in

accordance with determinations made by such Committee regarding similarly situated officers.

4. VACATION BENEFITS; EXPENSE REIMBURSEMENT.

(a) The Employee shall be entitled to five (5) weeks paid vacation in each calendar year (pro rated for 2004) during the term of his employment hereunder.

(b) The Employer shall reimburse the Employee for necessary and appropriate travel and business expenses incurred by Employee on behalf of the Employer

5. TERMINATION. Employee's employment under this Agreement shall terminate upon occurrence of any of the events described in the following subparagraphs (a) through (c):

(a) In the event of Employee's violation of any of the covenants of this Agreement, his employment shall automatically and immediately terminate; PROVIDED, however, that Employer provides Employee with ten (10) days' written notice of any such violation, and Employee has failed to cure the violation within such 10-day period. No further payments or benefits whatsoever shall be due to the Employee or any beneficiary under this Agreement as of the date of said violation.

(b) The Employer may terminate the employment of the Employee for "cause" at any time, in which event neither the Employee nor his

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beneficiaries or estate shall be entitled to any further payments hereunder. For purposes of this Agreement, "cause" shall mean:

(i) The misappropriation of funds or property of the Employer;

(ii) Any attempt to obtain personal profit from the Employer by actions that are adverse to the interests of the Employer;

(iii) Unreasonable neglect or refusal to perform duties assigned to him; or

(iv) Conviction of a felony.

(c) If the Employee dies during the term of his employment under this Agreement, his employment shall automatically terminate, and Employee and his estate and beneficiaries shall only be entitled to such benefits, if any, as are provided under the Employer's benefit plans in the event of an employee's death, as well as any compensation due but not paid through the date of death.

(d) In the event of Employee's termination for any reason other than set forth in paragraphs (a) through (c), Employee shall be entitled to a lump-sum severance payment equal to nine (9) months' salary. No further payments shall be due to Employee hereunder.

6. COVENANT NOT TO COMPETE. Except as provided in paragraph (b) below:

(a) Employee agrees, that during the term of his employment under this Agreement and for a period of two (2) years thereafter, that:

(i) He shall not associate with, enter into the employ of, or render any services to any business that competes with Employer or a business that conducts similar business (as defined below) to the business of Employer, within a twenty-five (25) mile radius of the Employer's facilities in Lebanon and Elizabethtown, Pennsylvania.

(ii) He shall not solicit, divert, or induce customers or clients of Employer to obtain similar products or services from others, including any competitor of the Employer.

(iii) He shall not acquire any financial interest, other than for full consideration, in any competitor in a similar business to the business of Employer (including any interest in any publicly-traded entity) that competes with Employer anywhere in the United States.

"Similar business" as used in the foregoing subparagraphs shall include, but not be limited to, the business of manufacture, distribution and sale of (a) cold-relief products, (b) allergy-relief products, and (c) health and nutritional supplements.

(b) The provisions of paragraphs (a)(i) - (iii) shall not apply if

Employee's employment terminates because of a sale, merger, consolidation, or similar transaction involving the Employer.

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7. CONFIDENTIALITY/SECRECY COVENANTS.

(a) During the period of his employment hereunder, and for a period of five (5) years thereafter, Employee agrees that he shall not:

(i) Use, divulge, or communicate to anyone, either orally, in writing, or by electronic means, the names and/or addresses of Employer's customers or clients, or the details of any transactions or financial matters of Employer, whether or not such information was available to Employee during his employment.

(ii) Use, divulge or communicate to anyone, either orally, in writing, or by electronic means, any Employer trade secrets, patents, formulas, processes, manufacturing methods, or data supplied or available to him in connection with his employment.

(b) Employee agrees that all trade secrets, formulas, patents, processes, manufacturing methods, data, documents, equipment, property, customer and supplier information, financial information, sales and marketing data, and other information provided to the Employee by the Employer, or obtained by the Employee, in the course of, or in connection with, his employment, are and shall remain the property of the Employer and shall be returned to the Employer by the Employee immediately upon termination of Employee's employment, and no copies or reproductions thereof in any form shall be retained by Employee.

8. INJUNCTIVE RELIEF. In the event of a breach by Employee of any of the covenants contained in paragraphs 6 and 7 of this Agreement, Employee agrees that money damages shall not be an adequate remedy for such breach, and Employer shall, in addition to all other remedies for such breach provided for under this Agreement or applicable law, have the right to request immediate and permanent injunctive relief to enjoin and restrain such breach and any consequences thereof.

9. EMPLOYER'S PROPRIETARY RIGHTS. Employee agrees that all inventions and products developed by the Employee during the term of his employment under this Agreement shall be owned by and be the exclusive property of the Employer.

10. MISCELLANEOUS.

(a) This Agreement supersedes any and all prior agreements or understandings, oral or written, with respect to the employment of the Employee with the Employer. This Agreement may not be altered or terminated orally, and shall be modified only by a subsequent written Agreement executed by both the Employee and the Employer.

(b) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(c) This Agreement shall be binding upon and shall inure to the benefit of the Employer and its successors and assigns; PROVIDED, however,

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that Employer shall not assign or transfer (by operation of law or otherwise) this Agreement without the express prior written consent of Employee. This Agreement shall be binding upon and shall inure to the benefit of the Employee, his heirs, executors and personal representatives, and shall not be assigned by the Employee and any attempted assignment shall be in violation of this Agreement and shall be null and void.

(d) Whenever possible, each provisions of this Agreement shall be interpreted in such a manner as to make all provisions effective and valid; but, if any provision in this Agreement is held to be invalid, illegal or unenforceable, such provision will be ineffective without invalidating the remainder of this Agreement.

(e) All notices, demands or other communications, shall be delivered to the Employer or Employee at the following addresses which may be changed from time to time by either party within thirty (30) days' written notice:

To the Employer:

Guy J. Quigley, President/CEO
The Quigley Corporation
621 Shady Retreat Road
P.O. Box 1349
Doylestown, PA 18901

To the Employee:

David Hess
31 North Spruce Street
P.O. Box 488
Elizabethtown, PA 17022

(f) All rights and remedies granted to the Employer hereunder shall not be exclusive, but shall be in addition to all rights and remedies available to the Employer at law or in equity.

(g) Unless otherwise specifically defined within this Agreement, words and phrases shall be construed and interpreted according to their common usage and meaning. Headings and titles are for reference purposes only and are not to be construed as part of this Agreement.

IN WITNESS WHEREOF, the Employer, by its authorized representative, and Employee have caused this Agreement to be executed and made, all as of the day and year first written above.

Quigley Manufacturing, Inc.

By: /s/ Guy J. Quigley

Guy J. Quigley, its President

/s/ David Hess

David Hess ("Employee")

THE QUIGLEY CORPORATION hereby unconditionally and irrevocably guarantees to Employee the full and punctual payment and performance of all obligations when due of Employer under this Employment Agreement.

THE QUIGLEY CORPORATION

By: /s/ Guy J. Quigley

Guy J. Quigley, President

Exhibit "A"

SUMMARY JOB DESCRIPTION FOR CHIEF OPERATING OFFICER

Essential duties and responsibilities of the Chief Operating Officer is to:

1. Oversee all of the production functions of both operating plants to assure compliance with established operating procedures, including quality assurance functions, maintenance procedures, material acquisition, storage and handling;
2. Establish production goals and objectives in line with capabilities of plant personnel and equipment parameters, and reviews those results taking steps to help correct unsatisfactory results;
3. Supervise those employees who report directly to the position and, at minimum, perform an annual performance evaluation of those employees;
4. Dispense advice, guidance, direction, and authorization to carry out plans and procedures consistent with established policies;
5. Review all capital projects ascertaining the functionality of the project and selecting the vendor in consideration of quality, functionality, cost, service, and reputation;
6. Serves as a technical point person relating to new products, ingredients, or processes;

7. Represents the organization to key contract customers, major suppliers, and trade organizations;
8. Plus such other duties as directed by the President.

[GRAPHIC OMITTED]

CONTACT:

David K. Waldman/John W. Heilshorn
Lippert Heilshorn & Associates
(212) 838-3777
DWALDMAN@LHAI.COM

The Quigley Corporation
Carl Fonash
Shareholder Relations
(267) 880-1111

QUIGLEY COMPLETES PURCHASE OF MANUFACTURING ASSETS OF JOEL

DOYLESTOWN, PA. - OCTOBER 5, 2004 - THE QUIGLEY CORPORATION (NASDAQ: QGLY) has completed the asset purchase with JOEL, Inc., as announced on August 20, 2004, for approximately \$5.1 million, which includes \$4.1 million in cash and \$1.0 million of the Company's stock. The transfer of assets includes inventory, as well as land, buildings, machinery and equipment of two manufacturing facilities, located in Lebanon and Elizabethtown, Pennsylvania.

The Company funded the acquisition through its current working capital of \$1.1 million and financed \$3.0 million of the cash requirement through a 7-year term loan with PNC Bank, N.A., a Pennsylvania commercial bank.

JOEL, Inc. has been the exclusive manufacturer of the Company's ColDEEZE(R) Lozenge since its launch in 1995.

The Quigley Corporation (Nasdaq: QGLY, <http://www.Quigleyco.com>) is a leading developer and marketer of diversified health products including the COLD-EEZE(R) family of patented zinc gluconate glycine (ZIGG(TM)) lozenges and sugar free tablets. COLD-EEZE is the only (ZIGG) lozenge proven in two double-blind studies to reduce the duration of the common cold from 7.6 to 4.4 days or by 42%. In addition to Over-The-Counter (OTC) products, the Company has formed Quigley Pharma Inc. (<http://www.QuigleyPharma.com>), a wholly owned ethical pharmaceutical subsidiary, to introduce a line of naturally-derived patented prescription drugs. The Quigley Corporation's customers include leading national wholesalers and distributors, as well as independent and chain food, drug and mass merchandise stores and pharmacies. The Quigley Corporation makes no representation that the U.S. Food and Drug Administration or any other regulatory agency will grant an IND or take any other action to allow the aforementioned products to be studied or marketed. Furthermore, no claim is made that the potential medicine discussed here is safe, effective, or approved by the Food and Drug Administration.

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve known and unknown risk, uncertainties and other factors that may cause the company's actual performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statement. Factors that impact such forward-looking statements include, among others, changes in worldwide general economic conditions, changes in interest rates, government regulations, and worldwide competition.

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