

TO HAVE AND TO HOLD the "Mortgaged Property" and all parts thereof unto the "Lender," its successors and assigns to its own proper use, benefit and behoof forever, subject however to the terms and conditions herein:

PROVIDED, HOWEVER, that these presents are upon the condition that, if the "Borrower" shall pay or cause to be paid to the "Lender" the principal and interest payable in respect to the note, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other charges paid by the "Borrower," and shall keep, perform and observe all and singular the covenants and promises in the note, and any renewal, extension or modification thereof, and in this mortgage expressed to be kept, performed and observed by and on the part of the "Borrower," all without fraud or delay, then this mortgage shall cease, determine and be void, but shall otherwise remain in full force and effect.

AND the "Borrower" covenants and agrees with the "Lender" that:

ARTICLE ONE

Particular Covenants of the "Borrower"

1.01 PERFORMANCE OF NOTE AND MORTGAGE. The "Borrower" will pay punctually to "Lender," in full, the note hereinbefore referred to with interest thereon, and will also pay all other sums secured hereby; and will keep and perform all the covenants and agreements in said note and in this mortgage, in manner and form therein set out.

1.02 WARRANTY OF TITLE. At the time of the delivery of these presents, the "Borrower" is well seized of an indefeasible estate in fee simple in the land and real property hereby mortgaged and has good and absolute title to all existing personal property hereby mortgaged and has good right, full power and lawful authority to convey and mortgage the same in the manner and form aforesaid; that the same is free and clear of all liens, charges, and encumbrances whatsoever, including, as to the fixtures, conditional sales contracts, and anything of a similar nature, and that "Borrower" shall and will warrant and forever defend the title thereto, and shall furnish and deposit with the "Lender" abstracts of title pertaining to the real estate, during the existence of this mortgage.

1.03 MONTHLY TAX DEPOSITS. The "Borrower" agrees that, at the option of the "Lender," there shall be added to each monthly payment required hereunder, or under the evidence of the debt secured hereby, an amount estimated by the "Lender" to be sufficient to enable the "Lender" to pay at least thirty (30) days before they become due, all taxes, assessments, and other similar charges against the above described premises, and no interest shall be payable in respect thereof. Upon demand of the "Lender," the "Borrower" agrees to deliver to the "Lender" such additional moneys as are necessary to make up any deficiency in the amount necessary to enable the "Lender" to pay the foregoing items. In the event of a default by the "Borrower" in the performance of any of the terms, covenants or conditions herein or in the evidence of the debt secured hereby the "Lender" may apply on the indebtedness secured hereby, in such manner as the "Lender" shall determine, any funds of "Borrower" then in "Lender's" possession under this paragraph.

1.04 TAXES, LIENS AND CHARGES.

(a) The "Borrower" will pay or cause to be paid all taxes, charges, assessments, water rates and other governmental or municipal charges, fines or impositions which may be imposed by law upon the "Mortgaged Property," or any part thereof, and all charges made by utility companies, whether public or private, for electricity, gas, water or sewer which the "Borrower" agrees to provide or furnish to any tenants of the "Mortgaged Property," promptly when due. If the same should not be paid by the "Borrower" within sixty days after the same became due and payable, it shall and may be lawful for the "Lender" to pay the same with any expenses attending the same, and any amount so paid the "Borrower" shall repay to the "Lender" on demand, with interest thereon at the rate set forth in the note secured hereby, and the same shall be a lien on the "Mortgaged Property" and be secured by these presents. If such amounts so paid by the "Lender" are not repaid to it immediately upon demand as aforesaid, the whole amount hereby secured, if not then due, shall thereupon become due and payable forthwith if the "Lender" so elects. In the event the security provided by this mortgage should, in the opinion of the "Lender," be adversely affected during said sixty-day period by the nonpayment of such items, the "Lender" shall have the privilege at its option to immediately pay the same, together with any expenses attending the same, and the amounts so paid shall also be subject to the provision hereinbefore set out in this paragraph as to the rights of the "Lender" to collect the same.

(b) The "Borrower" will not suffer any mechanic's, laborer's, statutory or other lien which might or could be prior to or equal to the lien of the mortgage to be created or to remain outstanding upon any of the "Mortgaged Property."

(c) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely the "Lender," the entire balance of the principal sum secured by the mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of the "Lender."

1.05 INSURANCE.

(a) The "Borrower" will procure for, deliver to, and maintain for the benefit of, the "Lender" during the life of this mortgage, insurance policies, in such amounts as the "Lender" shall require, insuring the "Mortgaged Property" against fire, extended coverage, and such other insurable hazards, casualties and contingencies as the "Lender" may require. The form of such policies and the companies issuing them shall be acceptable to the "Lender." All policies shall contain a New York standard non-contributory mortgagee endorsement making losses payable to the "Lender." At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the "Lender" shall be delivered to the "Lender." The "Borrower" shall deliver to the "Lender" receipts evidencing the payment of all such insurance policies and renewals. In the event of the foreclosure of this mortgage or any other transfer of title to the "Mortgaged Property" in extinguishment of the indebtedness secured hereby, all right, title and interest of the "Borrower" in and to all insurance policies then in force shall pass to the purchaser or grantee.

(b) The "Lender" is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the "Mortgaged Property," and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses, directly to the "Lender," instead of to the "Borrower" and "Lender" jointly. After deducting from said insurance proceeds any expenses incurred by it in the collection or handling of said fund, the "Lender" may apply the net proceeds, at its option, either toward restoring the improvements, or as a credit on any portion of the mortgage indebtedness selected by it, whether then matured or to mature in the future, or at the option of the "Lender," such sums either wholly or in part may be paid over to the "Borrower" to be used to repair such buildings or to build new buildings in their place or for any other purpose or object satisfactory to the "Lender" without affecting the lien of the mortgage for the full amount secured hereby before such payment took place. "Lender" shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

(c) If required by the "Lender," the "Borrower" will pay to the "Lender" on the first day of each month, together with and in addition to the regular installment of principal and interest and monthly tax deposit (as required by Paragraph 1.03 of Article One herein) until the note is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for insurance. Such amount shall be used by "Lender" to pay such insurance premiums when due, and no interest shall be payable in respect thereof. Upon demand of the "Lender," the "Borrower" agrees to deliver to the "Lender" such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the "Lender" to pay such insurance premiums. In the event of a default by the "Borrower" in the performance of any of the terms, covenants and conditions in the note or mortgage, the "Lender" may apply to the reduction of the sums secured hereby, in such manner as the "Lender" shall determine, any amount paid in accordance herewith remaining to the "Borrower's" credit.

(d) If the "Mortgaged Property" or any part thereof is damaged by fire or any other cause, the "Borrower" will give immediate written notice of the same to the "Lender."

1.06 INSOLVENCY. If proceedings be instituted by or against the "Borrower" under any bankruptcy or insolvency law or other law for the benefit of creditors or relief of debtors, or should title to or possession of the "Mortgaged Property" pass to any receiver, trustee or assignee for the benefit of creditors, the entire indebtedness secured hereby shall without notice become immediately due and payable at the option of the "Lender."

1.07 CONDEMNATION. If all or any part of the "Mortgaged Property" shall be damaged or taken through condemnation (which term when used in this mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall at the option of the "Lender," become immediately due and payable. The "Lender" shall be entitled to all compensations, awards, and other payments or relief therefor and is hereby authorized, at its option, to commence, appear