

pending such contest the Mortgagor shall not be deemed in default hereunder if prior to delinquency of the asserted tax or assessment the Mortgagor establishes an escrow acceptable to the Mortgagee adequate to cover the payment of such tax or assessment with interest, costs and penalties and a reasonable additional sum to cover possible interest, costs and penalties, and if the Mortgagor promptly causes to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, before such judgment becomes final; and provided further that in any event each such contest shall be concluded and the tax, assessment, interest, costs and penalties shall be paid prior to the date such judgment becomes final or any writ or order is issued under which THE MORTGAGED PROPERTY may be sold pursuant to such judgment. The Mortgagor will not be entitled to any credit hereunder by reason of payment of taxes on THE MORTGAGED PROPERTY. Further, the Mortgagor will not apply for or claim any deduction, by reason of this Mortgage, from the taxable value of all or any part of THE MORTGAGED PROPERTY.

(b) The Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien (other than any lien for taxes not yet due) to remain a lien upon any of THE MORTGAGED PROPERTY for a period in excess of thirty (30) days from the date of filing thereof, unless such lien shall have been bonded to the satisfaction of the Mortgagee within said thirty (30) day period.

(c) If any state, federal, municipal or other governmental law, order, rule or regulation, passed subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of mortgages or deeds of trust or debts secured by mortgages or deeds of trust, or the manner of collecting taxes so as adversely to affect the Mortgagee's security in THE MORTGAGED PROPERTY (an "adverse tax event"), the entire balance of the indebtedness and other sums secured by this Mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of the Mortgagee, unless the Mortgagor shall pay said tax within the time period provided by law for payment or shall escrow with the Mortgagee an amount sufficient to pay said tax within the time provided by law for payment. The Mortgagor shall have the right to make any such payment directly or to escrow the amount thereof with the Mortgagee, at its option. The Mortgagor may, within one hundred twenty (120) days of the occurrence of an adverse tax event, prepay without premium or penalty the entire then outstanding principal balance of the Note together with interest thereon accrued to the date of prepayment, provided no such prepayment shall relieve the Mortgagor of its liability to pay any such tax which shall become due and payable prior to the date fixed for such prepayment.

(d) In order to secure the performance and discharge of the Mortgagor's obligations under this paragraph 1.04.1, but not in lieu of such obligations, the Mortgagor will, on request of Mortgagee, upon the occurrence of an Event of Default, pay over to the Mortgagee an amount equal to one-twelfth (1/12th) of the next maturing ad valorem taxes, assessments and charges (which charges for purposes of this paragraph shall include without limitation water and sewer rents) of the nature described in subparagraph (a) above for each month that has elapsed since the last date to which such taxes, assessments and charges were paid; and the Mortgagor will, in addition, pay over to the Mortgagee together with each installment on the Note sufficient funds (as estimated from time to time by the Mortgagee in its sole discretion) to permit the Mortgagee to pay when due said taxes, assessments and charges. Upon demand by the Mortgagee, the Mortgagor