

ARTICLE I

1.01 Performance of Note, Mortgage and Loan Agreement. The Borrower will perform, observe and comply with all provisions hereof and of the Note and of the Loan Agreement and will duly and punctually pay to the Lender the sum of money expressed in the Note with interest thereon and all other sums required to be paid by the Borrower pursuant to the provisions of this Mortgage and of the Loan Agreement, all without any deductions or credit for taxes or other similar charges paid by the Borrower.

1.02 Representation 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 portion of the Mortgaged Property which constitutes real property and owns good title to the portion of the Mortgaged Property which constitutes personal property, subject only to the matters set forth in Schedule B attached hereto and made a part hereof, and has good right, full power and lawful authority to convey and mortgage and grant a security interest in the same, in the manner and form aforesaid; that, except as set forth in Schedule B hereto, the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions and encumbrances whatsoever, including, as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature; and that the Borrower shall and will warrant and forever defend the title to the Mortgaged Property against the claims of all persons whomsoever.

1.03 Tax Deposits. 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 interest, until all indebtedness secured hereby is fully paid, an amount equal to one-twelfth (1/12) of the yearly (i) taxes, assessments and other similar charges as 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 Mortgaged Property or any part thereof, and (ii) premiums for insurance required by Paragraph 1.06 hereof as estimated by the Lender to be sufficient to enable Lender to pay at least thirty (30) days before they become due all such premiums for insurance. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Lender or its designee, and no interest shall be payable in respect thereof. Payment by the Lender for such purposes may be made by the Lender at its discretion even though subsequent owners of the Mortgaged Property may benefit thereby. In refunding (at its election) any of the amounts held by the Lender pursuant to this Paragraph 1.03, the Lender may deal with whomever is represented to be the owner of the Mortgaged Property at such time. Upon demand of the Lender, the Borrower agrees to deliver to the Lender such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such taxes, assessments and other similar charges and insurance premiums. The Lender may apply to the reduction of the sums secured hereby, in such manner as the Lender shall determine, any amount held by the Lender hereunder.

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