

ARTICLE II.

REPRESENTATIONS, COVENANTS, WARRANTIES
AND AGREEMENTS OF MORTGAGE

TO PROTECT AND MAINTAIN THE SECURITY OF THIS MORTGAGE the Mortgagor represents, covenants, warrants and agrees to and with the Mortgagee as follows:

2.1 Title. Mortgagor has good and marketable fee simple title to the Property and the Improvements (and clear title to the Personal Property), and is lawfully seized and possessed of the same, and has the full power, authority and right to convey the same and to execute and deliver this Mortgage; the Premises are unencumbered except as may be herein expressly provided, and Mortgagor will forever warrant and defend the title to the Premises unto Mortgagee against the claims of all person whomsoever.

2.2 Payment of Secured Obligations. Mortgagor will punctually pay without any offset for any taxes or other matters, when due, all monies secured hereby, with interest in lawful money of the United States, and in the amount and at the time and place and in the manner specified in the Note.

2.3 Insurance Premiums and Taxes. Mortgagor will pay, when due and payable, all premiums on insurance policies required to be carried under the terms of this Mortgage as well as all taxes, assessments (general or special) and other charges levied on, or assessed, placed or made against the Premises, this instrument or the Note, or any interest of the Mortgagee in the Premises or the obligations secured hereby, and promptly deliver to Mortgagee receipts showing payment in full of the same.

2.4 Tax and Insurance Deposits. Mortgagor will pay to Mortgagee, on the installment payment dates of the Note, until said Note is fully paid or until notification from Mortgagee to the contrary, an amount sufficient (as estimated by Mortgagee) to pay said insurance premiums, taxes, assessments and other charges next due. Nothing contained herein shall cause Mortgagee to be deemed a trustee of said funds and no interest shall be allowed to Mortgagor on account of any deposit or deposits made hereunder. Said deposits need not be kept separate and apart from any other funds of the Mortgagee. Mortgagor shall furnish to Mortgagee before the date on which the same shall become due, insurance premium invoices and an official statement of the amount of said taxes and assessments next due, and Mortgagee shall be entitled to rely on same without inquiry as to the accuracy or validity of such invoice, statement, tax bills, etc. Mortgagee shall pay said premiums and charges but only if the amounts received from the Mortgagor are sufficient. An official receipt therefor shall be conclusive evidence of such payment and of the validity of such charges. If such amounts received from Mortgagor are insufficient, Mortgagee shall notify Mortgagor of the shortage whereupon Mortgagor will immediately deposit with Mortgagee the needed funds. Mortgagee may elect to advance any needed funds and any so advanced shall become part of the secured indebtedness, and bear interest at the maximum lawful rate of interest from the date of such advance. If the Mortgagor be in default under this Mortgage or the Note, Mortgagee, at its option, may instead apply such amounts to the indebtedness in such priority as it may determine. The amount of the existing credit hereunder at the time of any transfer of the Premises shall, without assignment thereof, inure to the benefit of the successor-owner of the premises and shall be applied under and subject to