

Provided, however, that if Borrower shall promptly pay or cause to be paid to Lender the principal and interest payable under the Note at the times and in the manner stipulated therein, herein, and in all other instruments securing the Note, all without any deduction or credit for taxes, insurance or similar charges paid by Borrower, and shall keep, perform and observe all the covenants and promises to be kept, performed and observed by the Borrower in the Note, Mortgage, any other security or loan documents securing the Note and any renewal, extension, or modification of the same, then this Mortgage, and all the properties, interest and rights hereby granted, conveyed, mortgaged and assigned shall cease and be void, but shall otherwise remain in full force and effect.

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands.

Borrower covenants and agrees with Lender as follows:

1. Payment and Performance. Borrower shall perform, observe and comply with all provisions hereof, of the Note and of every instrument securing the Note, and shall promptly pay to Lender the principal with interest thereon and all other sums required to be paid by Borrower under the Note and pursuant to the terms of this Mortgage and of any other instrument securing the same when due, all without deduction or credit for taxes or other charges paid by Borrower.

2. Zoning. Borrower covenants and warrants that the use and occupancy of the premises shall at all times comply with all applicable zoning laws, ordinances and regulations.

\* 3. Escrows for Taxes and Insurance. (a) If Borrower defaults under the terms of the Note, the within Mortgage, or any instrument securing payment of the Note; (b) if Borrower fails to provide annual financial statements or other information or reports required by Lender on a timely basis; or (c) if Borrower's financial position becomes threatened or impaired; then in the event of any one of the foregoing, Lender shall have the right, at its sole option, to require escrow deposits to be made to Lender for taxes, assessments, insurance premiums and the like with respect to the Property or any part thereof upon notice to Borrower. If Lender requires escrow deposits to be made, such deposits shall be paid to Lender on the first day of each month until the Note is fully paid, in an amount equal to one-twelfth of the yearly taxes, assessments,

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