

MORTGAGE

This Mortgage is made as of _____, 200

BETWEEN the Borrower(s)

whose address is

referred to as "I",

AND the Lender

whose address is

collectively referred to as the "Lender"

The word "I" shall mean each Borrower named above. The word "Lender" means the original Lender and anyone else who takes this Mortgage by transfer.

Mortgage Note Obligation. In return for a loan that I received, I promise to pay \$ _____ (called "principal"), plus interest in accordance with the terms of a Mortgage Note dated as of _____, 2005 (referred to as the "Note"). The Note provides for monthly payments of \$ _____ and a yearly interest rate of _____ (%) percent. All sums owed under the Note are due no later than _____. All terms of the Note are made part of this Mortgage.

Mortgaged Property. The property mortgaged to the Lender (called the "Property" or "Mortgaged Property") is located in the _____ of _____, County of _____, and State of New Jersey. The Property includes: (a) the land; (b) all buildings that are now, or will be, located on the land; (c) all fixtures that are now, or will be, attached to the land or building(s) (for example, furnaces, bathroom fixtures, lighting fixtures, and cabinets); (d) all condemnation awards and insurance proceeds relating to the land and building(s); and (e) all other rights that I have, or will have, as owner of the Property. The legal description of the property is:

BEING MORE PARTICULARLY DESCRIBED ON SCHEDULE "A" ATTACHED HERETO AND MADE A PART HEREOF.

BEING the same premises conveyed to
by Deed from

The within mortgage is a first purchase money mortgage the consideration for which constitutes a part of the purchase price.

Rights Given to Lender. I mortgage the Property to the Lender. This means that I give the Lender those rights stated in this Mortgage and also those rights the law gives to Lenders who hold mortgages on real property. When I pay all amounts due to the Lender under the Note and this Mortgage, the Lender's rights under this Mortgage will end. The Lender will then cancel this Mortgage at my expense.

Promises. I make the following promises to the Lender:

1. Note and Mortgage. I will comply with all of the terms of the Note and this Mortgage.

2. Payments. I will make all payments required by the Note and this Mortgage.

3. Ownership. I warrant title to the premises (N.J.S.A.46:9-2). This means I own the Property and will defend my ownership against all claims.

4. Liens and Taxes. I will pay all liens, taxes, assessments and other government charges made against the Property when due. I will not claim any deduction from the taxable value of the Property because of this Mortgage. I will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

5. Insurance. I must maintain extended coverage insurance on the Property. The Lender may also require that I maintain flood insurance or other types of insurance. The insurance companies, policies, amounts and types of coverage must be acceptable to the Lender. I will notify the Lender in the event of any substantial loss or damage. The Lender may then settle the claim on my behalf if I fail to do so. All payments from the insurance company must be payable to the Lender under a "standard mortgage clause" in the insurance policy. The Lender may use any proceeds to repair and restore the Property or to reduce the amount due under the Note and this Mortgage. This will not delay the due date for any payment under the Note and this Mortgage.

6. Repairs. I will keep the Property in good repair, neither damaging nor abandoning it. I will allow the Lender to inspect the Property upon reasonable notice to me.

7. Statement of Amount Due. Upon request of the Lender, I will certify to the Lender in writing; (a) the amount due on the Note and this Mortgage, and (b) whether or not I have any defense to my obligations under the Note and this Mortgage.

8. Rent. I will not accept rent from any tenant for more than one month in advance.

9. Lawful Use. I will use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

10. Attorney's Fees Upon Collection. If this Mortgage is placed with an attorney for collection after default by the Mortgagor, whether suit is instituted or not, attorney's fees of fifteen (15%) percent of the unpaid balance, together with court costs, shall be paid by the Mortgagor.

11. No Lien or Encumbrance To Be Placed Upon Premises. The Mortgagor agrees not to allow any lien or encumbrance to be placed upon the Property. The Mortgagor shall have thirty (30) days after any lien shall occur within which to remove said lien or to post sufficient surety to satisfy Mortgagee with respect to any such lien. In the event of a default of this or any other term or condition of this Mortgage, Mortgagor shall be liable to Mortgagee for all reasonable legal expenses and disbursements incurred by Mortgagee in obtaining the release or discharge of said lien or encumbrance.

12. New Jersey Law. This mortgage is made in the State of New Jersey and shall be governed, construed, and interpreted as to validity, enforceability, and in all other respects in accordance with the laws of such state.

Secondary Financing. No secondary financing is permitted with respect to the Mortgaged Property.

Eminent Domain. All or part of the Property may be taken by a government entity for public use. If this occurs, I agree that any compensation be given to the Lender. The Lender may use this to repair and restore the Property or to reduce the amount owed on the Note and this Mortgage. This will not delay the due date for any further payment under the Note and this Mortgage. Any remaining balance will be paid to me.

Payments Made for Borrower(s). If I do not make all of the repairs or payments as agreed in this Mortgage, the Lender may do so for me. The cost of these repairs and payments will be added to the principal, will bear interest at the same rate provided in the Note and will be repaid to the Lender upon demand.

Default. The Lender may declare that I am in default on the Note and this Mortgage if:

- (a) I fail to make any payment required by the Note and this Mortgage within thirty (30) days after its due date;
- (b) I fail to keep any other promise I make in this Mortgage;
- (c) the ownership of the Property is changed for any reason;
- (d) the holder of any lien on the Property starts foreclosure proceedings; or
- (e) bankruptcy, insolvency or receivership proceedings are started by or against any of the borrowers.

Payments Due Upon Default. If the Lender declares that I am in default, I must immediately pay the full amount of all unpaid principal, interest, other amounts due on the Note and this Mortgage and the Lender's costs of collection and reasonable attorney fees.

Lender's Rights Upon Defaults. If the Lender declares that the Note and this Mortgage are in default, the Lender will have all rights given by law or set forth in this Mortgage. This includes the right to do any one or more of the following:

- (a) take possession of and manage the Property, including the collection of rents and profits;
- (b) have a court appoint a receiver to accept rent for the Property (I consent to this);
- (c) start a court action, known as foreclosure, which will result in a sale of the Property to reduce my obligations under the Note and this Mortgage; and
- (d) sue me for any money that I owe the Lender.

Construction. The headings used throughout this Mortgage are for convenience only and have no significance in the interpretation of the body of this Mortgage, and it is directed that they be disregarded in construing the provisions of this Mortgage.

Modification of Mortgage. Notice is hereby given that this mortgage loan is subject to modification as defined by N.J.S.A. 46:9-8.1 et seq. That is, the parties hereto may agree to a change in the interest rate, due date or other terms and conditions of this mortgage loan, and any such modifications shall not affect the priority of the lien of this mortgage loan and the priority of the lien of this mortgage loan shall relate back to and remain as it was at the time of recording of the original mortgage as if the modification was included in the original mortgage or as if the modification occurred at the time of recording of the original mortgage.

Certification Re: Spill Compensation and Control Act, Environmental Cleanup Responsibility Act, and the Industrial Site Recovery Act. The Mortgagor hereby certifies that the Mortgaged Property is not subject to and is not in violation of the provisions of the "Spill Compensation and Control Act", N.J.S.A. 58:10-23.11f (Super Lien Law), or the "Environmental Cleanup Responsibility Act", N.J.S.A. 13:1K-6 et seq. (ECRA), or the "Industrial Site Recovery Act" (ISRA), or any other similar law or regulation now enacted or hereafter enacted.

Notices. All notices must be in writing and personally delivered or sent by certified mail, return receipt requested, to the addresses given in this Mortgage. Address changes may be made upon notice to the other party.

No Waiver by Lender. Lender may exercise any right under this Mortgage or under any law, even if Lender has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. Lender does not waive its right to declare that I am in default by making payments or incurring expenses on my behalf.

Negotiated Terms. This document is a negotiated document and shall not be construed against either party to this document due to its drafting.

No Oral Changes. This Mortgage can only be changed by an agreement in writing signed by both the Borrower(s) and the Lender.

Each Person Liable. This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Lender may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

Gender. If more than one person executes the within instrument, then words used in the singular shall be considered to include the plural, and wherever herein any particular gender is used, it shall be inclusive of the masculine, feminine and neuter gender, where the text so requires.

Copy Received. I ACKNOWLEDGE RECEIPT OF A TRUE COPY OF THIS MORTGAGE WITHOUT CHARGE.

Signatures. I agree to the terms of this Mortgage.

Witnessed or Attested by:

STATE OF NEW JERSEY, COUNTY OF _____ SS.:

I CERTIFY that on _____, 200

Personally came before me and acknowledged under oath, to my satisfaction,
that this person(s)

- (a) is named in and personally signed this document; and
- (b) signed, sealed and delivered this document as his or her act and deed.

Attorney at Law of New Jersey