

To have and to hold unto Lender and Lender's successors and assigns forever, together with all the improvements now or hereafter erected on the property, including but limited to all buildings, structures, fixtures, equipment, appliances, furniture, furnishings, and all easements, rights, or pertinences, rents, royalties, mineral oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the Property, together with all rents, issues, uses, profits and income of the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, whether real or personal, are hereinafter referred to collectively as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to Mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demand whatsoever, subject only to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower hereby further covenants, acknowledges and agrees:

1. Promissory Note. To pay the principal of and the interest and additional interest (the "Additional Interest") on the indebtedness evidenced by the Promissory Note secured hereby at the time and in the manner provided therein and to perform every other agreement contained in such Promissory Note. Privilege is reserved to make prepayments only as permitted in such Promissory Note.
2. Payment of Charges. To pay and discharge when due and before penalty attaches all ground rents, taxes, assessments, water rents and other governmental or municipal charges, fines and impositions levied upon the Property and to promptly deliver the official receipts therefor to Lender; provided that Borrower need not pay any such amount so long as the validity thereof is being contested in good faith and provision for the payment hereof is made by Borrower in a manner satisfactory to Lender.
3. Loan Agreement. To perform all obligations under the Loan Agreement between the parties.
4. Insurance. To continuously maintain hazard, liability and other insurance, of such type or types and amounts as Lender may from time to time require on the improvements now or hereafter placed on said real property, and to pay promptly when due any premiums therefor. All insurance shall be carried with companies approved by Lender and the policies and renewals thereof (or certificate satisfactory to Lender) shall be held by Lender and have attached thereto a standard mortgage clause in favor of and in form acceptable to Lender. Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums pertaining to all insurance coverage required hereunder. In event of loss Borrower will give immediate notice by mail to Lender, who may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender instead of to Borrower and Lender jointly. The insurance proceeds, or any part thereof, may be applied by Lender at its option to the reduction of the indebtedness hereby secured, or to the restoration or repair of the property damaged, or released to Borrower to make the necessary repairs or restoration.
5. No Waste. That Borrower shall not commit or permit waste and shall maintain the Property in good repair and condition, reasonable wear and tear excepted. On any failure so to maintain, Lender, at its option, may cause reasonable maintenance and repair work to be performed at the cost of Borrower.
6. Eminent Domain. That all judgments, decrees and warrants for injury or damage to the Property and all awards pursuant to proceedings for condemnation or under power of eminent domain are hereby assigned to Lender by Borrower in their entirety and shall be paid to Lender who, at its option, may apply the same to the reduction of the indebtedness secured hereby, or to the restoration or repair of the property damaged, or release said payment to